

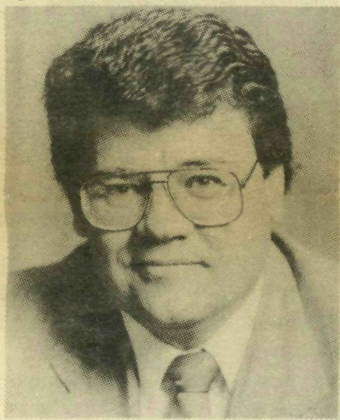
THE TAXPAYER

Promoting the responsible and efficient use of tax dollars

March/April '92

The Taxpayers' Graveyard

by Kevin Avram



I've often thought that we should build a graveyard around Ottawa somewhere, and that a tombstone should be erected for every dead horse project some politician squandered our money on. We could probably rope off some special section too, bury a few politicians there, and hold guided tours, pointing out the graves of those who wasted it, and what they wasted it on.

It was with this in mind, that I read an article in the *Globe and Mail* recently by Terence Corcoran. In fact, Corcoran's article reads like a horror novel that should be called something like, "How Politicians Squandered the Wealth of a Nation."

He lists a number of examples which he says merit a tombstone in the graveyard: Massey-Ferguson, which received a \$200 million loan guarantee; Canadair of Montreal which got \$2 billion in equity and loan guarantees; White Farm Equipment which got \$19 million in loan guarantees; Co-op Implements, with



\$50 million in guarantees; Minaki Resort Lodge in Ontario, \$45 million; Clarke-Irwin, a \$1.5 million loan guarantee; Whistler Village, \$20 million; Canada Cycle and Motor (CCM), which picked up a \$20 million loan guarantee; Electrohome which got a \$15 million loan guarantee; Consolidated Computer Inc. of Ottawa which got \$125 million in loan guarantees and grants; Maislin Industries which got \$34

million in loan guarantees, and Dome Canada which got Lord knows how many millions. (All but a few of these wiped out their government backing or investment: Approximate losses are over \$2 billion.)

He goes on to say that numerous other tombstones could be added to this graveyard of waste: Sydney Steel, which received \$1.5 billion in aid;

Bricklin Motors; Churchill Forest Industries, which received \$71 million; Deuterium of Canada, which received \$425 million; and Quinette Coal in British Columbia.

"Scores, and probably hundreds of others exist, including the more recent Alberta diversification adventures, Ontario's Sunco, and other experiments in the use of subsidies and grants,"

Corcoran writes.

"The accumulated cost, based on compound interest costs and current values, would run to the tens of billions of dollars, perhaps as much as \$100 billion, or, about one-quarter of the current national debt," he says.

Those that Corcoran doesn't add to his tombstone list are the scores of deals, struck by provincial politicians, who like their federal counterparts, thought they could make us all rich by giving our money away.

In Saskatchewan, there's the Austrak Tractor Plant, the Gigatext scandal, and others got their chunk of flesh too.

Elsewhere in Canada, the lists of government boondoggles could fill more than just a few graveyards, and then comes Alberta. Alberta has a government that doesn't do anything on a small scale. It seems they try to spend more, waste more, and give away more than anybody in the country. And, it would appear they are succeeding. The Getty government is facing a total debt and unfunded pension liability that is in the area of \$25 billion, yet that hasn't stopped them from pouring hundreds of millions of taxpayers' dollars into magnesium projects, Al-Pac, Gainers, and a whole host of others.

What a tragedy it is, that such a large portion of our nation's wealth, lies at the bottom of a graveyard, put there by the very politicians who are supposed to be guardians of the public purse, and the protectors of our national interest.

Canadian Taxpayers Federation

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Table of Contents

The Federal Budget	3
Petro-Canada	3
Alaska or bust!	4
The Lortie Commission	5
A government sowing seeds ..	6
Steal from the kids	6
Balanced budget legislation for New Brunswick	7
Big government and the constitutional crisis	8
Are those political chickens coming home to roost? ...	10
Albertans demand Freedom of Information Legislation	11
The Alberta Heritage Fund	12/13
Northern Steel	14
Is ICBC milking BC taxpayers?	15
Hey, Mr. Romanow let everyone look at the books!	16
Income tax = debt tax	17
How to escape the marriage tax?	18
How much do Saskatchewan people really owe?	19
Manitoba government kills initiative	20
The Cost of official bilingualism	21
Bilingual grants	22/23
Wild hogs of Horseshoe Bend	24
MPs and MLAs don't pay UIC	24

The Canadian Taxpayers Federation

The Canadian Taxpayers Federation is a federally incorporated, non-profit organization. Our purpose is to promote the responsible and efficient use of Canadians' tax dollars, and to provide the public with information about government spending.

Founded in 1989, the Federation is independent of all political or institutional affiliations.

Cost:

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Taxpayer news...

Canada wins right to subsidize Thailand

The deal has just been signed that will see a Montreal-based engineering firm, Lavalin International, help build a \$2.6 billion elevated mass-transportation system in Bangkok, Thailand. Lavalin's share of the contract will be worth between \$800 million and \$1 billion. In most instances, such an announcement would send taxpayers dancing in the streets during these recessionary days.

However, taxpayers are not so easily taken in by these type of announcements anymore, as they have become more aware of how governments are pouring millions of their tax dollars into hordes of business ventures. The question on many people's minds is how much did Canadian taxpayers lose in order to have Lavalin win the bidding war on this project.

Certainly, Lavalin has the technology and expertise, but so do a multitude of other international corporations. So what tipped the balance in its favour? The

Canadian taxpayers of course.

The Canadian Export Development Corporation has agreed to lend \$800 million to the Thailand government, and a significant portion of that will be at what is called concessionary rates. That means rates which are below market rates, and could be as low as zero interest. With its current \$30+ billion deficit, the Canadian government is essentially borrowing the money in order to lend it to Thailand.

According to the Fraser Institute, when

Lavalin was first putting together the proposal in 1990, the government had apparently pledged to provide \$240 million in a no-interest loan with the remainder at a subsidized rate. At that time, the Fraser Institute estimated the Canadian taxpayers would in the end contribute approximately \$383 million to make the deal work.

However, the government has not yet released the actual terms of this deal which could cause taxpayers to wonder how bad it really is?

Canada's new growth industry

Despite the recession, governments keep on hiring and raising your taxes to pay for it

While businesses across Canada are laying off employees due to what some are starting to call a tax-induced recession, federal, provincial and municipal governments have been rapidly expanding their taxpayer funded payrolls. While others are forced to live within their means, governments, through their ability to raise taxes, have had fewer such restrictions.

A Statistics Canada report has just revealed that public sector employment grew by 113,000 jobs in 1991 to a total work force of 2,910,000 in December. This includes all government employees as well as education, health, welfare and public administrators. The figures also

revealed that from February to December 1991, the taxpayer funded public sector accounted for all the net increase of employment in Canada during this period of time.

Almost 24% of the jobs that were provided last year, came through the public sector.

The municipal governments were the biggest offenders as they raised spending faster than any other level of government. Unfortunately, taxpayers are left having to foot the bill for governments' refusal to live within their means. This will lead to yet more taxes, and if the pundits are correct, that will lead to yet more layoffs in the private sector.

Canada Council strikes again

If your wallet is feeling lighter these days, perhaps it has something to do with the taxpayer-funded Canada Council. It has just given away \$1.04 million of the taxpayers' money through its exploration program for artists.

The council approved 104 projects under this program. These included:

- A project by Regina artist Jacqueline Berting entitled *Salute to Canadian Farmers*. The \$15,000 grant will fund the construction of a 37 square metre field with stalks of wheat made of cane glass stuck in dirt.
- The Theatre du Novel of Sudbury, Ontario, received a \$12,000 grant for a performance entitled *Canada Bread*. The performance is described as a

multidisciplinary event whose theme involves bread which is the source of life and distress.

- \$10,000 went to a Michael O'Hara of Toronto to produce a film entitled *Donuts, People and their Dreams*.
- Paul Lukeman of Toronto received \$7,000 for a project entitled *The Re-designed Saxophone*.
- \$11,025 went towards a book entitled *The Roman Catholic Church: A Failed Institution* written by Lorraine Michael of Toronto.

In all the Council received 541 applications of which 437 were rejected. It would be interesting to find out what got rejected.

Are Edmonton artists a tax free zone?

Last year, Edmonton city hall introduced a 1% arts tax on any construction projects over \$1 million undertaken by the city. It reached heights of absurdity when it was discovered that taxpayers would have to cough up an additional \$500,000 to buy art for the new water plant. Fortunately, the public outcry seems to have dampened city hall's plans.

However, this tax has led to yet another controversy. It has created somewhat of a feeding frenzy for local artists. In the latest instance, an artist who was \$6,164 in arrears in business taxes was told she could not be in the runoff for a \$40,000 mural for the new city hall. Each contestant in the five person runoff receives \$1,000. In fact, city administrators had already called in the sheriff to seize her assets, like they do to anyone else who doesn't pay their taxes.

Apparently, the folks in the city tax department were under the mistaken misconception that they were actually supposed to follow the guidelines of Policy C-455 which stated that people who were in litigation with the city can not be awarded city contracts.

The artist in question approached the Alberta Human Rights Commission, which then sent a letter to the Mayor Jan Reimer.

Well, city council has decided that the artist does not have to pay her taxes to remain in the running for the \$40,000 mural lottery. It did state that if she won the contract, her tax portion would be deducted. As the artist's lawyer stated, "Art is a passion and you can't tax passion."

Cold war still costing taxpayers

The four storey underground concrete bunker is a hold-over from the cold war. Located 20 kms west of Ottawa, the bunker is Canada's biggest and best nuclear bomb shelter. It is known affectionately as 'Diefenbunker', named after Prime Minister John Diefenbaker who ordered its construction.

The shelter was originally constructed as a place where the government could continue operation in the event of nuclear attack.

It has 47-centimetre doors that block its entrance. It also has its own generators, wells for water, and filters to clean the air. It also has a hospital and CBC radio

studio. The walls are made of concrete, and they are at least 1 metre thick.

Though the cold war has ended, the taxpayers presently spend about \$400,000 a year to maintain the Diefenbunker and a number of other fall-out shelters across Canada. Most of this money is spent on rotating rations.

Federal budget doesn't go nearly far enough

February's federal budget, although gaining marginally on the deficit, fails to take any significant measures with respect to the seriously high tax levels being borne by Canadians.

"Significant cuts in both spending and taxation would have been the most beneficial components of today's budget, but both were largely absent," said

Tom Porter, research economist for the Federation.

"We did see some small tax cuts, and government has said they will cut spending by a billion dollars next year," he said, "But for a government that spends \$160 billion a year, a spending cut of \$1 billion is less than 1% (.63%) and won't amount to what anybody could

rightly call significant hardship."

"Average taxpayers have been forced to tighten their budgets by a lot more than 1% and most would agree that there is plenty of room for governments to make substantially larger cuts. In many ways it reflects how out of touch

governments are with the real world of the taxpayer."

"This budget probably amounts to more of a wait-and-see budget, than it does to an initiative which could get things rolling again," he said.

"On at least six occasions, the finance minister referred to

global competition in his speech," Porter said, "Yet we didn't see significant measures that would reduce the tax burden of either ordinary Canadians or of Canadian business. On matters of cutting taxes and cutting spending, the budget is a failure."

Budget highlights

Tax changes

- Five percent personal income surtax drops to four percent July 1 and three percent January 1st. For a person earning \$50,000, it will only result in a \$50 saving this year and \$162 in 1993.
- In 1993, a new child-tax benefit which rolls three existing child benefit programs into one, will pay as much as \$144 monthly per child for low income families.
- Common-law couples will be treated as married couples.

Spending

- There will be a \$1 billion spending cut in 1992-93. This will take place the following ways:
- Defence spending will be cut by \$2.2 billion over the next five years.

- First-class travel for MPs and senior bureaucrats will be stopped.

- Brian Mulroney and the cabinet ministers will take a 5% pay cut. However, this only applies to the ministerial portion of their salary of about \$40,000 and does not apply to their basic salary and tax-free allowance of \$91,000.

- Government spending on communications will be cut by \$75 million.

- Non-wage portions of the operating budgets of government departments will be cut by 3%.

- Forty-six government entities will be eliminated, deferred, or merged with other operations or privatized. As a result, there will be 160 fewer government appointments and 500 fewer employees. This will save taxpayers \$22 mil-

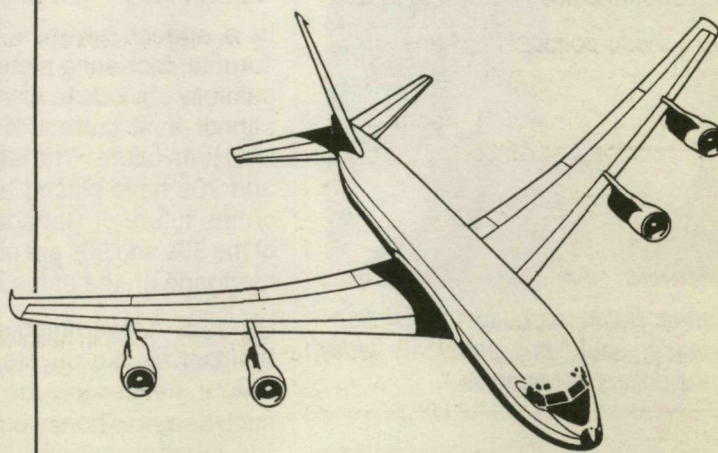
lion per year on an ongoing basis.

- The government is planning to sell surplus federal land, and to sell its 32.5% share in Co-operative Energy Corp. of Calgary. The Royal Canadian Mint and the Cape Breton Development Corporation may also be sold. The Canadian Cultural Centre located in Paris, France will also be sold as well as properties in Washington and Bordeaux, France.

- The government will save \$500 million a year by changes in the indexing of federal employee pensions.

- There will also be increased write-offs for manufacturing equipment.

MPs not suffering because of budget



An increase in MPs' air travel budget by \$823,000

It would seem that MPs have once again looked after themselves. Apparently, taxpayers will be forking over an additional \$7 million to accommodate increases for MPs' office expenses, airline travel and entertainment.

Though MPs were finally told they could no longer fly first class, it appears that their air travel budget will actually be increasing by \$823,000. Currently MPs can receive up to 64 free flights anywhere in Canada. Their budget for free air travel will now be nearly \$11 million or about \$37,200 per MP.

In addition, the taxpayer also forks out \$1.5 million per year to MPs to pay for hotels, dinners, limousines and other expenses. The budget for overseas flights and entertainment of visiting politicians increased by \$51,000 to \$3.5 million.

As well, \$137,700 was added to the \$4.7 million communications budget which politicians use to tell us how good a job they're doing. Salaries for research and office staff for each of the political parties increased by \$786,000 to \$10.2 million - a 7.7% increase. Sigh...so much for restraint.

Petro-Canada took over \$5 billion from Canadian taxpayers and won't give it back

by Tom Porter

Petro-Canada purchased 4,000 gas stations with \$5 billion of the taxpayers' money. While a private sector company would have had to raise this money through retained earnings, equity issues, or loans, Petro-

Canada took advantage of its privileged access to the public purse -- making its purchases with \$2.7 billion of government cash, \$1.5 billion of special taxes, and \$1 billion through bank loans.

Petro-Canada bought five oil

companies between 1976 and 1985. In 1981 alone, it paid at least \$1.6 billion for Petrofina Canada Ltd., paying \$120 a share for stock which had been trading at \$50 a share the previous year (before rumours of the Petro-Canada purchase drove up the price). This sale

was financed by introducing the Canadian Special Ownership Charge of \$1.15 on every barrel of oil sold in Canada. That is, Petro-Canada purchased Petrofina by reaching deep into taxpayers' pockets and levying a special tax on every gas pump in Canada.

Petro-Canada also met all the Canadian content rules and had other unfair advantages as a result of the National Energy Program (NEP). This should not be surprising, since senior executives of Petro-Canada participated in drafting the National Energy Program which provided these advantages, also transferred over \$30 billion from Western Canada to Ottawa.

As the government's agent, Petro-Canada was automatically entitled to one quarter of all oil production on federal lands. This enabled the company to avoid exploration costs, while purchasing oil production from other companies. No other company had the legislated authority to

take oil production from other companies.

Second, over \$1 billion of the Petroleum Incentives Program (PIP) grants to encourage exploration went to Petro-Canada. Again meeting all the Canadian content rules, Petro-Canada captured a disproportionate share of these grants. Even with all these advantages, Petro-Canada's only significant resource discovery was natural gas, not oil.

While Petro-Canada enjoyed other non-monetary advantages as well, it is now closing or selling 1,000 gas stations, closing two refineries, and laying off employees to cut costs. However, Petro-Canada's rationalization will not give taxpayers back their \$5 billion. Even its eventual privatization will only pay down some of Petro-Canada's debts and return just a portion of what was taken. Some industry analysts believe that taxpayers have lost \$4.3 billion overall.



Between 1982 and 1985, the federal government implemented a special tax on gasoline designated specifically to enable Petro-Canada to purchase Petrofina. The government plundered \$3.67 billion from the taxpayers' pockets, but only spent about \$1.6 billion to purchase Petrofina.

Finally, good news for taxpayers

Balanced budget legislation for New Brunswick



McKenna: balanced budget legislation - "No leader could buy popularity today, with the dollars of tomorrow."

In a move unique to Canadian politics, New Brunswick Premier Frank McKenna has announced that his province is considering enacting a balanced

budget law. The plan was briefly outlined in the Throne Speech presented February 11, 1992. The law would require the New Brunswick government to balance its budget over a four year term so that deficits would have to be offset by surpluses within that same time frame.

In a speech given a year earlier in Toronto, McKenna stated, "It should be painfully obvious to Canadians that we cannot trust current leaders with our long term future. The leaders of the 60s and 70s have placed a first mortgage on the future of Canada. The leaders of the 80s and 90s are placing a second mortgage on the same asset."

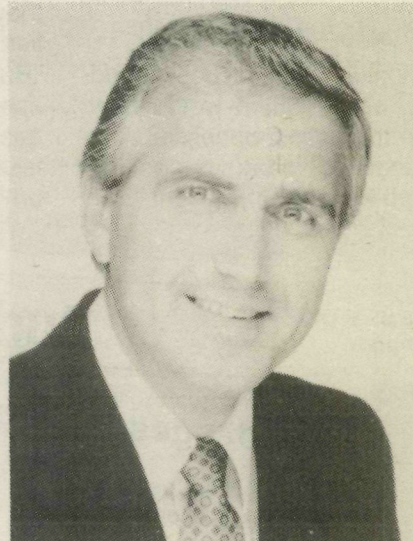
He said, "Governments must conduct themselves like private citizens. Borrow, if necessary, for capital assets such as a new home, but pay as you go for current expenditures, like the groceries. Should we prove unable to accomplish this objective, I would support a legislative requirement for

balanced current account budgets by our government."

"This should not be done on a single year basis, because it would not allow us to respond to the contingencies of extraordinary events...it could however be based on a rolling average over the normal term of government which is four years. In other words, each government would be legislatively required to produce a four year balanced budget."

"No leader could buy popularity today, with the dollars of tomorrow."

Over the past few months, New Brunswick has been hit by cuts in federal transfer payments as well as an economic slowdown. The province is also facing a \$160 million deficit. Such legislation would stop the government's temptation to win popularity and votes by reckless spending which eventually



Facing a \$1 billion deficit this year, will Romanow try to duck the balanced budget legislation that 80% of the electorate supported?

falls into the lap of future taxpayers.

It would force the government to face the economic realities of the day and to adjust spending accordingly. As McKenna stated, such a law would force the government to live within its means.

Danny Cameron, the Leader of the official opposition in New Brunswick, stated that this type of legislation should have been implemented three years ago.

If passed, New Brunswick would be the first province to initiate such legislation in Canada. In October last year, 80% of the Saskatchewan electorate voted in favour of balanced budget legislation for their province. However, the NDP government of Roy Romanow has yet to indicate how it intends to implement the clearly stated wishes of the people.

Let's talk taxes

Spending out of control since 1977 Taxes

A Weekly Commentary
by Kevin Avram, President,
The Association of Saskatchewan
Taxpayers Inc.

Elite taking advantage of taxpayers

A few days ago I came across a Canadian Press news story documenting that the Mulroney government, for the fiscal year 89-90, spent over half a billion dollars on travel.

Wondering how many plane trips could be bought for \$527,073,913.98 I phoned...

A great many governments a bigger govt job of building also beginning privileged govt called to account.

them to c
transact
A tax
stamps
and org
things

Politics just grade "B" theatrics

It's been a long standing tradition for the government to send out several hundred invitations to the annual budget address, and this...

taxes and been prudent managers with the financial...

Government: the masters of the free spenders

Wilson said to be one of the worst

Euromoney Magazine is a European journal on high finance that evaluates the world's finance...

Let's Talk
Taxes

A COMMENTARY BY
The Canadian Taxpayers
Federation
Chris Gerrard, the chief
economist for the Canadian
Taxpayers Federation, says
politicians are not telling us
the whole story when they
say that a particular program...

Government handouts costly to Canadians

government grants, rarely, if ever, exceed the costs. In the Queens University study, 40 per cent of the...

prehistoric cultural ecology of C...
pian Escargotieres in North Afr...
between 8000 and 5000 B...
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critical edition of the complete w...
of the Mexican political pamphlet...
Pablo de Villavicencio, and \$27...
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to the Pali Tipitakam (Bu...
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Helping Canadians understand how n

A COMMENTARY BY
The Canadian Taxpayers
Federation

I often wonder if Canadians really understand how the national debt affects us. In fact, I'm sure we don't.

\$50 billion of that paying interest on the national debt, and they'll borrow another \$30 billion to pay for other things they want to buy; like bilingual programs...

to reduce debt. When the host of the program asked him to explain why the deficit was going up instead of down, if all the...

The radio has allowed him to sid issue, but personal it's about time...

Our biggest problem

A Weekly Commentary
by Kevin Avram
The Association of Saskatchewan
Taxpayers Inc.

What would you say is the biggest problem you face as a Canadian? Interest rates, national unity, the economy? After spending some time thinking about it, I'm convinced that...

they've declared. Besides, you and I both know that this sort of "Santa Claus Syndrome" characterizes them all.

In March of this year, Mr. Romanow set out his 15 year plan to eliminate the province's \$12 billion dollar debt. The Saskatoon Star-Phoenix on March 8th carried a lengthy article titled "Deficit of 12...

poverty in the province and in March of this year, his Peter Prebble promised NDP formed the next they would actually ending Statistics Canada estimate of government needed to raise all Sas comes to the poverty about \$481 million. money supposed to...



"Let's Talk Taxes" is a weekly newspaper column circulated to over 400 weekly newspapers across Canada. The column informs taxpayers on where their money is being spent. If your local paper is not carrying the column, call your editor and tell him about this free service. Above - Kevin Avram writing the February 28th column on tax dollars given to businesses.

\$200 million grant to the US

Maybe it's the US recession, or perhaps George Bush heard that the Canadian government is a push-over when it comes to handing out taxpayers' money. Whatever the reason, the US has asked the federal government for a \$200 million grant to help build a hi-tech facility in Texas which will attempt to discover the origins of the universe.

Known as the super-conducting super-collider, the project will cause small particles accelerated through a tunnel until they collide. A study of these collisions will supposedly determine how the universe was formed.

The report states that the federal government is seriously considering the proposal. The government is also considering the possibility of giving a grant to a European group building a similar project. Fortunately, the government will only help fund one of them. However, the bad news is that the government will be setting up two taxpayer-funded committees to decide where the taxpayers' money should be going.

Political parties want taxpayers gagged and blindfolded

Taxpayers Federation objects to gag law

The Canadian Taxpayers' Federation strongly objects to the "gag law" proposed by the Royal Commission on Electoral Reform (Lortie Commission).

In its final report released last February 13, the Lortie Commission recommended that individuals and organizations should be prohibited from spending more than \$1,000 during a federal election campaign.

"Such proposals, if implemented, would amount to an unwarranted violation of freedom of speech and expression," said Dr. Chris Gerrard, National Research Director of the Federation. "It amounts to nothing less than a monopolization of the federal electoral process by the political parties alone."

The commission acknowledged that political action is not limited to involvement in political parties, and that many Canadians, disillusioned with the futility of political expression through political parties, have found other avenues to express their views. It stated:

"The value and meaning of party membership has shifted in recent years as many citizens have found other ways of engaging in political action through special interest groups or other types of volunteer activity...Research conducted by the commission showed that the number of individuals joining parties and committing themselves to partisan politics is declining."

"Canadians have become increasingly critical of how our large, national political parties are structured, how they operate and the extent to which they are accessible to Canadians in general and their adherents in particular....Many political activists, who previously would have pursued their public policy interests through a political party, now participate in advocacy and interest groups."

Nonetheless the commission concluded that political parties, by virtue of the fact that they and they alone have chosen to pursue their political agenda through a presence in parliament, should have a monopoly on defining and debating the

issues during a federal election campaign.

The commission acknowledged that the proposed \$1,000 spending limit represents a limitation on freedom of speech and expression, but argued that it represents a "reasonable" limit under section 1 of the Charter of Rights and Freedoms.

"On the contrary," said Gerrard, "the strength of a modern liberal democracy such as Canada can be gauged by the breadth and vitality of its political debate. The notion that certain institutions (i.e. political parties) should have a privileged position, legislated in law, in that debate, particularly during election periods, is contrary to the most

basic principles of democracy."

"This attempt to stifle debate during an election campaign is simply unacceptable. The way to strengthen political parties is not to protect them from other types of political expression, but for the parties themselves to start representing the best interests of the taxpayers instead of their own."



Partisans want taxpayers blindfolded so they won't notice their pockets being picked to fund political parties. The popularity of politicians has fallen off over the past few years. Now the political parties want the government to force taxpayers to contribute even more through their tax dollars if they won't do it voluntarily. Gag laws are also being proposed to prevent anybody, except political parties, from informing voters of the issues during elections.

Taxpayers should not be forced to fund political parties

The Royal Commission on Electoral Reform (Lortie Commission) has come out strongly recommending that taxpayers be forced to increase their funding of political parties.

In its report released February 13, it recommended:

- That candidates who receive at least 1% of the vote in their constituency should be reimbursed by \$1 per vote, to a limit of 50% of their election expenses.
- That political parties which receive at least 1% of the vote nationally should be reimbursed 60 cents for each vote to a limit of 50% of their election expenses.
- That political parties which receive at least 5% of the vote nationally should receive annual funding of 25 cents for each vote towards the operation of party foun-

dations or think-tanks, to develop policy alternatives, educate members and provide policy advice.

- That the existing scale of the political contribution tax credits should remain as is, but that Canadians should be permitted to make political contributions up to \$100 when filing their income tax returns.
- That the privilege of issuing political contribution tax credits should be extended from the national political parties to constituency associations, constituency nomination contestants, and party leadership contestants.

The commission claims, incredibly, that "these proposals should result in no increase in total costs to the federal treasury", since other savings such as a proposed reduction in



THE NEW DEMOCRATS
LES NÉO-DÉMOCRATES



REFORM
PARTY
OF CANADA



If taxpayers are losing their respect for political parties, why should they be forced to support them through their tax dollars?

the length of campaigns will offset the additional costs of these recommendations.

In the 1988 election, the election expense reimbursements cost taxpayers \$18.7 million. In comparison, the commission's recommendations would have cost taxpayers \$20.5 million as well as \$3.1 million annually for the political party think-tanks.

The political tax credit has cost taxpayers more than \$40 million from 1987 to 1990. When individuals make a political contribution of \$100, they receive a tax credit of \$75 which costs the

federal treasury \$75 and the individual only \$25. The rate of the credit declines for larger donations, eventually falling to zero at \$1,500.

While the commission resisted the demands of some political parties to increase the scale of the tax credit, it recommended that constituency associations, nomination contestants, and party leadership contestants be allowed to issue credits. This move would increase the cost to all taxpayers.

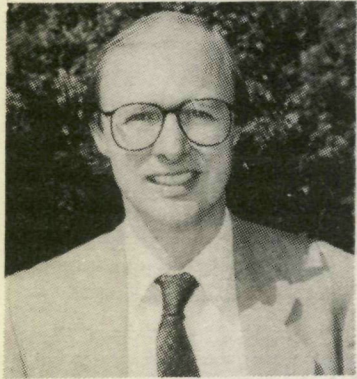
Active citizen involvement in political parties has been falling

off as people grow weary of politicians who put their own political interests above that of the average taxpayer. It is very clear from the political parties' presentations to the Lortie Commission that they want the government to force taxpayers to contribute more to political parties.

This dissatisfaction with political parties is sending a very clear message to politicians. Instead of trying to force taxpayers to contribute through their tax dollars, maybe they should try listening to taxpayers instead.

A government sowing seeds

by Dr. Chris Gerrard



Every farmer knows he must plant good seed to produce a good harvest, and every businessman realizes he must make good investments to produce good profits. Bad seeds produce bad harvests, and bad investments produce bad or negative profits.

Time was in the 1960's and 1970's that our federal and provincial governments set themselves up as the solution to every problem in our society. Name a problem, and they would establish a new government program to solve it.

The government even claimed they knew better than we did what was good for us. They would help us make good investments. If some turned out bad, no matter, the government would protect us. They would guarantee an affluent life to all whatever our capacity or willingness to produce might be.

Government, of course, has a legitimate role to play in our society, because civil order is necessary for the very freedom to make meaningful economic decisions. Revolutionary societies are the most unfree of all. But when governments start making some of the most basic decisions in our lives, and assume excessive responsibility for these decisions, whether good or bad, this itself is a bad seed.

Today, when Canadians receive their monthly paychecks, are at the cash register, or filling out their income tax forms, they are ex-

periencing the harvest of this bad seed. Every dollar of protection meant another dollar of taxes or borrowing plus the cost of the massive bureaucracy to implement it. As well, it reduced the incentive for each of us to really care whether we made good or bad

investments. No matter, the government would still protect us.

At the national level, the harvest of these bad seeds, though further removed from our daily lives, is still devastating. In 1972, after 105 years of Confederation, having built the economic infrastructure, having lived through our Great Depression and two world wars, our national debt was \$18 billion. By 1985, it was \$200 billion. Today, it is over \$400 billion.

In 1961, Tax Freedom Day -- the day in the year when the average Canadian family has done enough work to pay the total tax bills imposed on it by the three levels of government -- was May 3rd. In 1974, it was June 8th. In 1991, including government deficits, it is July 16th.

In other words, the average Canadian family is now working more than half the year to pay the present and deferred taxes of all three levels of government. One may quibble at how the Fraser Institute arrives at their annual Tax Freedom Day figures, but one cannot quibble about the trends.

At this level of spending, not only is the incentive to plant

"...the average Canadian family of four is now working more than half the year to pay the present and deferred taxes of all three levels of government."

good seeds and make good investments disappearing, but also the very survival of our most basic safety nets is at stake. If governments do not start trimming, they will soon suffer a massive coronary or cardiac arrest. Unfortunately, the effects will not be felt by the government alone.

Robin Hood reverse "economics":

Steal from the kids - give to the parents

by Jason Ford of the British Columbia based "Youth Alliance for Debt Freedom"



Youth Alliance for Debt Freedom executive (from l to r) - Jason Ford, Tricia Stamer, Nicole Martin, Melissa Kramer

Today's adult generation has set up an incredible array of social services, ranging from Western Diversification to welfare, but has decided not to pay for them. Instead, it will force a younger generation, Canadians my age, to foot the bill. This is permitted by a curious feat of bookkeeping known as the national debt, which amounts to nothing more than taxation without representation.

Unfortunately, Canadians have been getting things for nothing for so long, they've come to think of it as a right, but no generation has the right to enslave its children. Considering debt is nothing more

than deferred taxes, the future of Canada's youth is being mortgaged to pay for services their parents long ago used up. When governments spend without taxing, at some point it must tax without spending. For almost two decades, Liberal and Conservative governments have provided services to Canadians without asking them to pay. At some point this has to change.

Debt = deferred taxation

It is a simple equation, but when considered in the light of our massive debt, its meaning

is appalling. As the baby-boomers age, this tax deferral will come to bear on today's young people, and thanks to compound interest the younger you are, the worse it will be. Add to this, the massive drain on Canada's economy when baby-boomers start drawing their pensions, Canada's youth will have an even greater burden hoisted on their shoulders.

It's not surprising that my parents' generation desired a high standard of living. However, why should their children have to pay for it? For hundreds of years, we have seen parents sacrifice so their children could lead happier

lives, and we were expected to do the same. Yet, this generation is the first for which this process has been reversed as the children's future has been sacrificed for the sake of their parents. This is neither just, moral, or fair.

If you think these words are too strong, remember that the federal debt has deferred over \$400-billion in taxes to my generation. Canadians already think they are overtaxed -- how do you think my generation will feel, when our incomes are disembowelled to pay for services our parents have already exhausted?

The consequences will be devastating. Increased taxes will decrease Canada's competitiveness, reducing business investment and jobs. One of the reasons Eric Lindros didn't want to play for the Quebec Nordiques was higher taxes -- similarly, in the years to come, our best and brightest will flee to the US which hasn't sold its children into economic bondage. Instead of accepting the financial responsibility for their actions, my parents' generation played Robin Hood: steal from the young and give to the old.

Is the process reversible?

Are Canada's youth destined to government-induced poverty? Well, it can be stopped, but

only when our elders realize that Canada cannot persist in piling debt upon debt. Governments must be told to spend less money, not more.

Adam Smith once said "What is prudent in the conduct of every private family, can scarcely be folly in that of a great kingdom." Every family realizes it can't spend more than it earns, and carefully prioritizes its spending needs. Government, on the other hand, spends money on worthy, but unnecessary projects, and when the books don't balance, it just keeps on spending. In order to protect important programs, government spending must be prioritized and funding cut to those unessential areas.

However, before this can occur there must be a fundamental change in attitude. Canadians have to become financially honest with themselves and start righting the fiscal wrongs they have perpetrated upon their children. It is pathetic and immoral for them to treat their sons and daughters as everflowing springs of ready cash. They have lived far too long on credit, hoping their children would pay it all back -- but that attitude is unacceptable.

The answer is clear: prioritize your needs and pay for what you want when you want it. To do anything else is to kidnap Canada's future.

Alaska or bust!

by Dean Smith

This past December, the Alaska government sent every man, woman and child a cheque for \$931.34. A family of four would receive four cheques totalling \$3,725.36. This by the way is in American funds.

The story takes a turn for the better when you realize Alaskans DO NOT PAY A STATE INCOME TAX, a STATE SALES TAX or a GST. I figured it was time to call Alaska and find out exactly what was going on.

I reached Tom Williams, the Director of the Permanent Fund Dividend Division, that handles this annual payout. My wife, son Ian and I were basically packed and ready to drive to Anchorage, declare our allegiance to the Alaskan flag, pick up our cheques and drive home. Unfortunately, Mr. Williams said it only applied to people who had lived in Alaska for over a year. Well, it was a great idea while it lasted.

This is all part of Alaska's share-the-oil-wealth derby. A fund has been set up into which revenues earned from oil-related activities such as royalties, etc., are directed. As well, any surpluses in the state's general budget are also deposited. Although the state has no personal income tax or state sales tax, Alaska has consistently had surpluses on its operating budget.

Each year, the fund pays a dividend based on 47% of the income earned the preceding year. This payout to residents has ranged from

a low of \$331 to a record \$952 in 1990. Last year, \$489 million was distributed to Alaskan citizens.

I asked myself, "why is it happening in Alaska and not in Alberta, Manitoba, BC or Quebec? Don't we collect royalties on our oil, gas, potash and other natural resources?" We could blame the economy or low resource prices, but Alaska has the same problems.

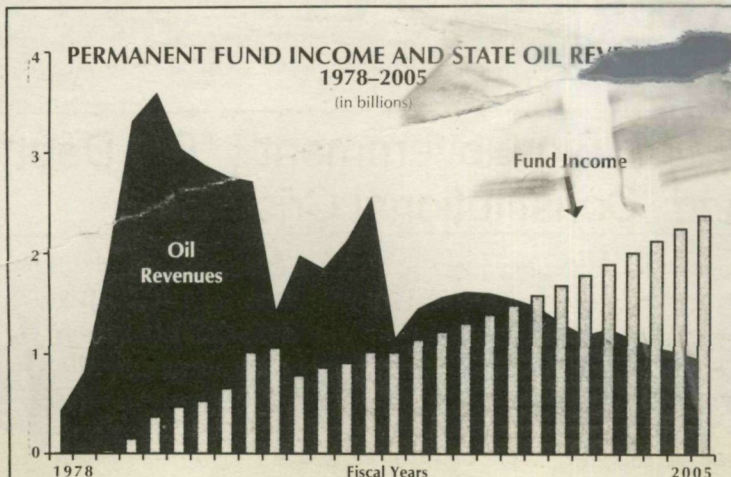
Doesn't Alberta have a Heritage Fund? How come they're not making payments to their citizens?

Didn't Saskatchewan have a similar fund at one time? Did their citizens ever receive a cheque?

I began to realize that what we could be seeing here is a fundamental difference in focus. Is it possible that Alaska's resources are looked upon as the property of its citizens?

The fund's annual report states, "Alaskans have chosen to convert a significant portion of the state's most valuable non-renewable resource (petroleum) into a completely

renewable resource (income producing financial assets)." In other words, the resources belong to Alaskans and they have decided to pay themselves a share of the profits.



Alaska's equivalent of a Heritage fund is set up, so politicians can't interfere or spend Alaskans' money on their own political agendas. As a result, the Permanent Fund will continue to grow, ensuring an annual payout to Alaskans for years to come, despite declining oil revenues.



In 1991, the Alaska Permanent Fund paid each Alaskan \$931.34 (a family of four received \$3,725.36 - US funds). Because the government can't interfere, the money has been invested so a profit can be made for **all Alaskans**. The fund's diversified investments include the Frontier Building.

US states with no personal income tax

Taxes are just simply lower in the US. They have fewer hidden taxes on such items as gas and cigarettes. They don't have a GST and they not only have lower federal and state personal income taxes but as well offer larger tax deductions. For example, homeowners can deduct the interest they pay on their mortgage as well as their

property tax from their taxable income.

But if that's not enough to get your goat, the following states do not have personal income tax:

- Alaska
- Florida
- Nevada

- South Dakota
- Texas
- Washington
- Wyoming
- Tennessee
- New Hampshire

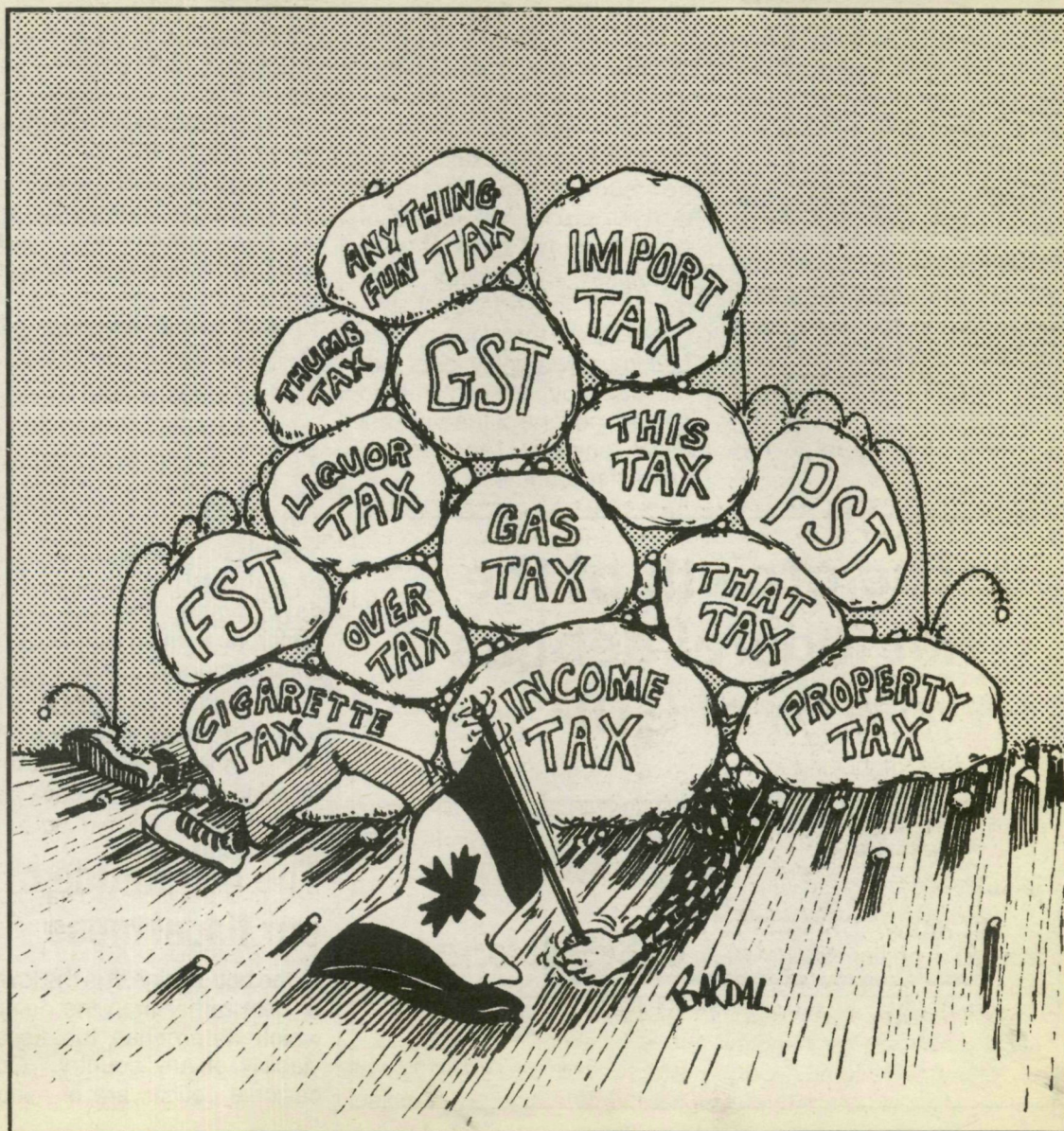
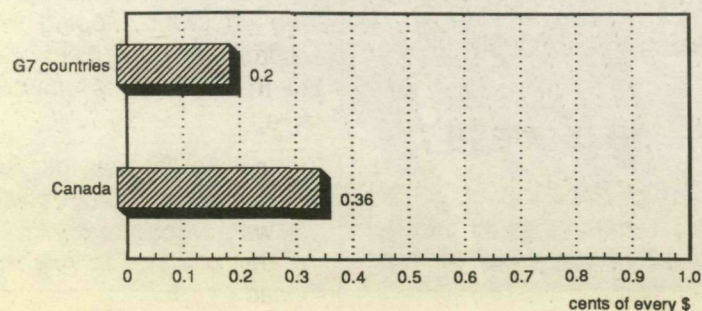
It costs \$2,800 a year to be Canadian

The impact of the federal debt has reached deep into Canadians' wallets. Thirty-six cents out of every dollar you pay in federal tax goes just to pay the interest on the debt. This includes the federal income tax, the GST and hidden taxes as well.

One clear illustration of how our federal government has overspent is that, on average, the citizens of the G7 countries (the seven most industrialized nations of the world which includes the United States, Japan, Germany, Great Britain, France, Italy and Canada) pay only 20 cents of each tax dollar towards interest on government debt. This 16-cent difference has resulted in the the average Canadian family of four paying \$2,800 more in taxes.

A comparison of the portion of every federal tax dollar which goes to pay interest on the national debt.

Canada compared with the average of the G-7 countries.

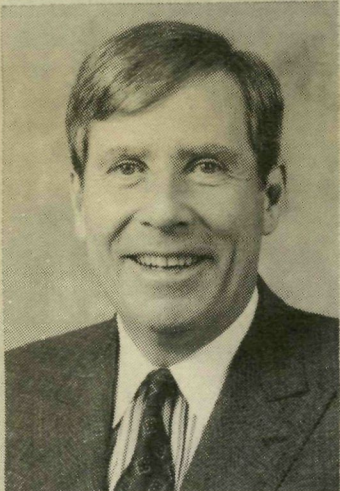




Canada's dreaded dark horsemen of "Big Government", "Big Debt", "Political Instability" and "Constitutional Crisis".

Big government and the constitutional crisis

by Dr. William Mackness - Unless there are serious spending cuts, Manitoba economist predicts tough days ahead for Canada



The dreaded dark horsemen of big government -- fiscal failure, political instability, constitutional crisis -- are broken loose and now in full gallop. Ottawa's failed experiment in big government, and an associated fiscal breakdown, has resulted in increasing political instability and, more recently, a full blown constitutional crisis. The magnitude of Ottawa's financial failure has thoroughly discredited the federal government.

The leadership vacuum is much more serious today because both national parties are tarred with the same brush. The previous Liberal government is properly identified as having reduced the national fiscal system from one of the soundest to one of the weakest. The Tories, with the largest mandate in Canadian history, are seen to have lacked the determination to regain control of the fiscal system.

From best to worst

By the 1960s, Canada had developed one of the soundest, best managed fiscal regimes in the industrial world. For such a small country, Canada's post-war record of sound national finances was absolutely outstanding. Suddenly, in the space of one generation, the country has become thoroughly debt ridden and reduced shamefully to coping with one of the weakest fiscal regimes of the leading industrial countries.

Canada's great experiment with big government -- euphemistically described as "strong" central government -- has been a monumental failure. The blunder has caused a debt load which will plague the country for decades. History will probably record the National Energy Policy (1980) and the MacEachern budget (1981) as the high water-mark in ill-advised, politically-motivated central planning government in Canada.

Spending today is running 24% above revenue. The excess of spending over revenue is down from 54% in 1984, but remains far in excess of what taxpayers are willing and able to pay. Net federal debt today represents 60% of annual GDP compared to 45% in 1984-85 and only 17% in 1974-75 when the debt explosion began in earnest.

Since the mid-1960s, successive federal governments have made absolutely unprecedented economic, financial and political demands on the country, principally in the name of national unity, regional development, interest-group preference, and a vast array of social programs. The legacy of Ottawa's massive interventions is one of excessive cost, failed policies and now the threat of political break-up.

The magnitude of our fiscal mess

At the bottom line, it is the level of debt rather than the deficit which determines the fiscal viability of any country. Occasional deficits are of minor

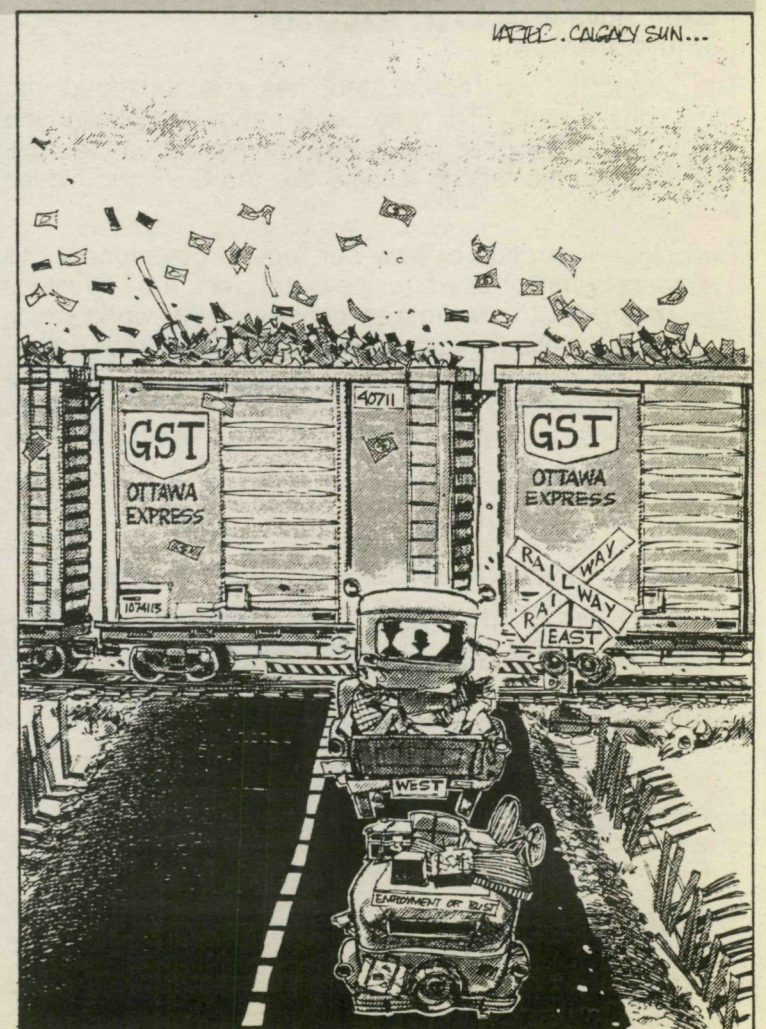
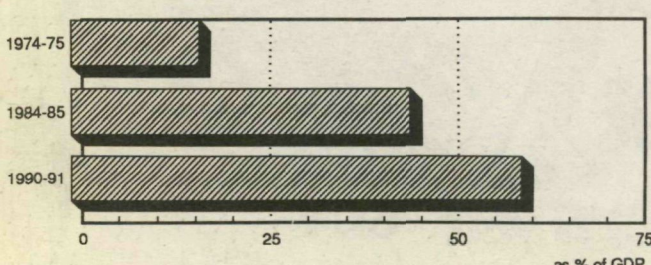
consequence. However, large-scale and long-term deficit financing ruins the balance sheet. Ottawa has not had the books in balance or better since 1969, and is not likely to do so any time in this century.

The debt problem is much more onerous than at the end of World War II. Today, there are also enormous unfunded liabilities in MPs' and civil servants' pensions and the Canada pension plan. In 1946-47, interest charges amounted to 3.9% of GDP compared to 6.2% today. The provinces are far deeper in

debt than ever before. Canada has become the world's second largest international debtor, \$240 billion, right behind the United States and more than double the level of the next closest contenders.

After World War II, it took about 25 years to move the national debt down to manageable proportions, thanks to regular fiscal balance and low interest rates throughout the period. If Canada again commits itself to re-establishing a sound fiscal structure, a similar lengthy period of time will be required to move the debt load down to manageable proportions.

The growth of the net federal debt as a % of GDP



Mackness continued

Spending cuts not higher taxation

Reduced spending is the only viable remedy, and the sooner

the better. Between 1971-72 and 1984-85, spending rose massively, from 18.6 to 24.6% of GDP while revenues fell from 17.0 to 15.9% of GDP. The resulting rise in the deficit and debt was driven almost exclusively by runaway spending

rather than revenue shortfall. Over the period, spending increases out-paced revenue shortfalls by a ratio of 6:1.

Taxes today are higher than ever before. Despite seven years of spending cuts and tax hikes, the deficit still amounts

to 4.4% of GDP, by far the highest among the leading industrial countries. The country is simply spending far more than the tax system and competitive pressures can support.

Higher taxes will not solve the problem and have the poten-

tial to do great damage domestically and to international competitiveness. Canadian taxes are already higher than those of our principal competitors, as cross-border shoppers, among others, are so aware.

Mackness proposes tough Fiscal reform

A major fiscal reform, in conjunction with a redistribution of tax and spending powers away from Ottawa, offers the best hope for resolving both the fiscal and constitutional crisis.

- ☐ At the outset, there should be a declaration of a fiscal emergency and a commitment to tough, austere measures until the fiscal situation is brought back under control.
- ☐ There should be large (10-15%) absolute, across-the-board spending cuts for all spending except for debt interest payments and contracts with outside suppliers.
- ☐ The universality of social programs should be terminated. Middle and upper income Canadians capable of paying their way should indeed pay their way.
- ☐ A second "leadership" spending cut of an additional 10 to 20% should be applied to salaries and expenses of MPs, senators and senior bureaucrats. Ottawa pensions

should also be brought into line with federal law and norms prevailing in the private sector.

- ☐ Once a comprehensive program of spending cuts is in place, there should be a complete freeze on spending, employment and salary increases for the duration of the fiscal emergency.
- ☐ Once a fiscal balance has been established, a constitutional limit on federal spending commitments beyond reasonable anticipated revenues should be enacted.
- ☐ More than 50% of federal spending (and associated tax base) is eligible for partial or full devolution to the provinces. About one-quarter to one-third of total federal spending could be shifted to the provinces. Such a move would remove the double layering of bureaucracies under the current system. The regions would almost certainly run a tighter ship when spending their own money.

Ottawa simply needs to be cut down to size.

Argentina: Could it happen to Canada?

by Dr. Chris Gerrard

Today, most people think of Argentina as a bankrupt third world country.

However, this was not always the case. Back in the 1910s and 1920s, Argentina was as economically developed as Canada. Both countries had taken advantage of the international wheat boom in the early 1900s to launch their countries towards industrialization. In 1917, Argentina actually produced more wheat and had a more diverse industrial sector than Canada. During the 1920s, Argentina's economy grew at 1.8% per year compared to 1.2% in Canada, and Argentine real wages also grew twice as fast as Canadian real wages.

What has happened to Argentina since then? In comparison with Canada, both countries being equally well off back then, why did Argentina veer off course? A recent book, *What Argentina Could Have Become*, by Argentina's finance minister, Mr. Domingo Cavallo, gives the answer.

Different government policies are the essential part of the answer. Argentina responded to the Great Depression and World War II with trade protectionism, big government, deficit-financing, and inflation.

The Argentine government severely regulated almost every sector of its economy, subsidized local industries, and expanded social welfare programs beyond the fiscal capacity of the economy. Behind high tariff

walls, protected from foreign competition, local industries became increasingly inefficient, unable to sustain an oversized government bureaucracy.

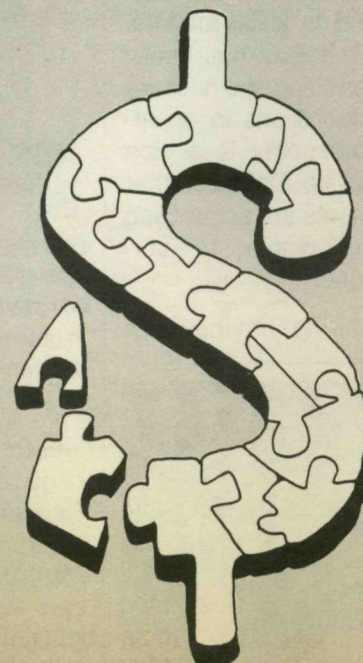
Instead of cutting back, the government financed its continuing deficits, first, by racking up a foreign debt of \$65 billion (US), and then, when this source of financing dried up, by printing money. This caused inflation -- and ultimately hyperinflation -- which reached 5,386% in 1989.

Under the present government of Carlos Menem, first elected in 1989, Argentina has been attempting to reverse six decades of ruinous economic policies. To balance its budget the government has cut spending by 20%, capped social assistance payments, and laid off 380,000 state employees. Today, they are running deficits of less than 3% of total government expenditures, previously. They were running deficits of 25%, like Canada is today.

Could Canada become an Argentina? Can a rich country become a poor country in a short period of time? Obviously yes, if Canada does not get its fiscal house in order, for economic laws do not respect international boundaries. And, as Argentina has discovered, the longer Canada delays, the more painful the adjustments, are going to be. It did not have to happen to Argentina; it does not have to happen to Canada. It could and did happen to Argentina. It could and will happen here, if we don't do something about our current financial situation.

The puzzle of government spending

Where are your federal tax dollars going?



Federal Government Expenditures, 1990-91

The first column represents spending in billions of dollars and the second column represents spending as a percentage of the total budget for fiscal year 1990-91.

	in billions of \$	% of spending
Major transfers to persons	\$35.5	23.2%
Old Age Security Benefits	12.8	8.3
Guaranteed Income Supplement	3.9	2.5
Spouses' Allowances	0.4	0.3
Family Allowances	2.7	1.8
Veterans' Pensions & Allowances	1.0	0.9
Unemployment Insurance Benefits	14.7	9.6
Major transfers to other levels of gov't	\$24.3	15.9%
Fiscal arrangements	8.3	5.4
Insurance and medical care expense	6.0	3.9
Canada Assistance Plan (welfare)	5.8	3.8
Education support	1.9	1.2
Other	2.3	1.5
Transfer to enterprises	\$2.4	1.6%
Western Grain Transportation Act	0.6	0.4
Industrial and regional development	0.7	0.5
Agricultural programs	1.1	0.7
Other transfers	\$8.8	5.7%
Job creation	1.7	1.1
Science and technology	1.5	1.0
Indians and Inuit	2.3	1.5
Other transfers to persons	0.6	0.4
Other transfers	2.7	1.8
Payments to government-owned enterprises	\$7.0	4.6%
CBC	1.1	0.7
Canada Mortgage and Housing Corp.	2.0	1.3
Other	3.9	2.5
Other program spending	\$32.8	21.4%
Defense	11.9	7.8
External Affairs and foreign aid	3.3	2.2
All other government organizations	17.6	11.5
Total program spending	\$110.8	72.3%
Interest on public debt	\$42.5	27.7%
Total budgetary expenditures	\$153.5	100.0%
Deficit	\$30.6	20%

Are those political chickens coming home to roost?

By Kevin Avram

I think it fair to say that nearly everybody in Canada is getting poorer. Most of us are having a harder time paying our bills than we've ever had, and both citizens and business are being hammered by higher costs, as various levels of government are now taking over half the money we earn in the form of taxes.

Over the past 15 years our politicians at both the provincial and federal levels have borrowed so much money that our governments are now restricted in their capacity to respond to fiscal matters. Ontario Premier Bob Rae has finally admitted that expanding the welfare rolls and borrowing billions in an attempt to create prosperity is a pipe dream, and not unlike Ontario, other provincial governments are scrambling to deal with the exploding cost of servicing their public debt.

Cross border shopping, having been



Ontario Premier Bob Rae has finally admitted that expanding the welfare rolls and borrowing billions in an attempt to create prosperity is a pipe-dream



Like my granddad used to say, "Your chickens will always come home to roost." It will be interesting to see what will happen to Canadians as the political decisions of the 70s and 80s start coming home to roost. Ed's note: The picture was taken in the front-yard of a home in down-town Edmonton. Perhaps it's one chicken that's come home to roost, as people try different ways to make ends meet because of government's excessive taxation.

fuelled by the GST, is turning into a regular activity for millions of Canadians. Manufacturers and other industrial corporations are either moving or looking at moving to places like Tennessee, New York, South Dakota and Washington. Costs are less there, meaning companies can be more competitive, and many states such as South Dakota, Nevada, Texas, and Florida don't have any personal income tax, and in some cases no corporate income tax either.

Back in the 1970s, when the government of Pierre Elliott Trudeau started to borrow on an annual basis, a few isolated voices were raised in opposition. "You will destroy the nation," they declared as they argued against Trudeau's fiscal policies. Throughout this time though, most Canadians sat

back and did nothing. They enjoyed the benefits of government spending, cashed their baby bonus cheques, pension cheques, and sat silently by as the Trudeau government accelerated spending at unprecedented peacetime levels.

In 1984, when Mulroney took over he had an excellent opportunity to get a handle on the ballooning debt. Instead, he spent the first few years of his mandate elevating patronage to a new art form, and refused to deal with the expanding debt in any significant way.

Now, because we haven't had a leader who was prepared to make responsible fiscal decisions, we are being faced with the consequences. Of every tax dollar that Canadians pay to the federal government, 36 cents is being used to pay interest on money the government

has already borrowed and spent - no wonder we're all getting poorer.

At the provincial level, the numbers vary considerably but in Ontario's case, for example, \$14 billion borrowed this year will mean that Ontario taxpayers will be forced to shell out roughly one and a half billion in taxes next year, and the year after, and the year after, just to pay the interest on what Bob Rae is going to borrow this year.

In Alberta, the Getty government has been misleading the public about the size and scope of their debt for years. The Tories in Saskatchewan did essentially the same thing, and ditto for the Socreds in British Columbia.

My old granddad told me many times that, "Your chickens will always come home to roost." It will be interesting to see what Canadians are going to do, as it would appear those political chickens are now coming home.

Taxpayers - the brunt of another federal joke

The announcement that the federal government would be increasing its contribution to the Museum of Humour comes at a time when Canadians are suffering from the highest rate of taxation in the nation's history.

The fact that the taxpayers would be paying an additional \$1.1 million for the museum to be built in Montreal sounds like a sick joke, but it's a joke with a costly punch line. Taxpayers also missed the humour of the situation when it was discovered they would be kicking in a total of \$3.3 million to see the museum constructed.

High taxes a major cause of cross-border shopping

On February 12, Revenue Minister Otto Jelinek announced measures to stem cross-border shopping. However, Tom Porter, research economist for the Canadian Taxpayers Federation said the measures largely failed because they didn't address the root of the problem.

"Cross-border shopping is a symptom of the excessive taxation we experience federally, provincially and municipally," said Porter.

"Excessive taxation drives up both the cost of doing business and the final price of the good or service to the consumer."

"If government wants to address the problem of cross-border shopping, they should focus on cutting their spending," he said. "Reduced government spending would result in lower taxes, a more competitive business environment, lower consumer prices and less cross-border shopping."

Porter reacted favourably to the elimination of tariffs on about 25 consumer products not made in Canada such as VCRs, sewing machines, cameras, and some sports equipment since this will lower the cost of these products both to retailers and to consumers.

However, the other measures, such as the collection of provincial sales taxes, tobacco taxes and alcohol taxes at the border, only attempt to thwart consumers' efforts to spend their money in the most

efficient manner possible. These measures merely reduce the purchasing power of consumers' dollars; they do not address the root of the problem, namely, excessive government spending and taxation.

Canadian consumers who are cross-border shopping are not being unpatriotic. Rather they are responding to the high level of Canadian taxes which have now reached the breaking point.



Association of Alberta Taxpayers

Supplement to "The Taxpayer"

March/April '92

Albertans demand Freedom of Information Legislation

On Thursday February 21st, the Association of Alberta Taxpayers presented Premier Don Getty with nearly 20,000 coupons and letters from Alberta citizens calling on the provincial government to introduce Freedom of Information Legislation.

At an Edmonton news conference, Association Co-ordinator Jason Kenney displayed the coupons, letters and petitions gathered over the past several months, calling them "tangible evidence that the people of this province will no longer tolerate closed, inaccessible government."

"Alberta is now one of only two jurisdictions in North America without legislation guaranteeing citizens ac-



Provincial Co-ordinator Jason Kenney and Kevin Avram of the Canadian Taxpayers Federation at the Edmonton news conference with the thousands of coupons signed by Albertans demanding Freedom of Information Legislation for Alberta.

cess to non-confidential public records," Kenney said. "The government of

Alberta has earned its reputation as the most closed government in Canada, and it's about time that changed," said Kenney.

"With British Columbia's commitment to pass FOI legislation in its spring sitting of the legislature, Prince Edward Island and Alberta are effectively the only two provinces that do not have FOI legislation. I don't know why they are scared of this type of legislation," Kenney added, "If they're running a good government they have nothing to hide."

The Association launched its campaign for freedom of information last summer by

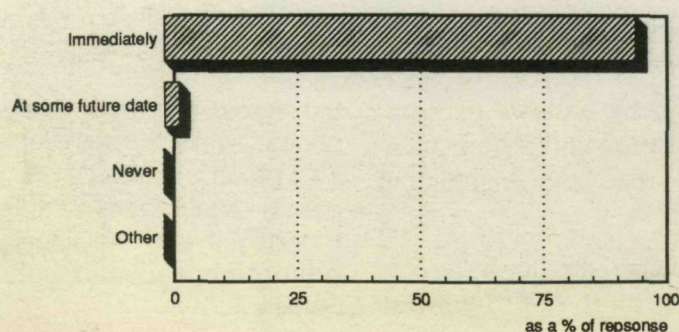
running radio and print ads throughout the province and collecting signatures to be

forwarded to Premier Getty. "Our sister organization, the Association of Saskatchewan Taxpayers, successfully championed a similar campaign for freedom of information legislation in that province last year. We are confident that the Alberta government will have no choice but to respond to the growing public demand for an open and accessible government."

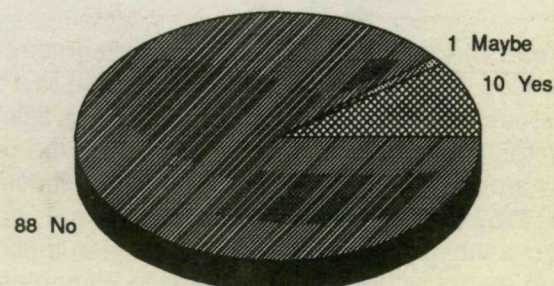
"The Getty cabinet is now in the process of finalizing its agenda for the next session of the legislature. On behalf of Albertans, we are saying that if openness and accountability mean anything to this government, it will make guaranteed access to public information its first priority," Kenney said.

Would you be in favour of Freedom of Information Legislation for Alberta?

A general survey by the Association of Alberta Taxpayers



Would you say you're as familiar as you'd like to be with how your tax dollars are being spent?



A general survey by the Association of
Alberta Taxpayers - % of response

The rise and fall of the Heritage Fund

by Jason Kenney



In February of 1975, then premier Peter Lougheed rose in the Legislative Assembly to ask Albertans an historic question: "Are we prepared to put aside substantial sums of current revenue from non-renewable resources for our children and grandchildren, and not make them available for current needs?" Albertans answered with a resounding "yes", and the result was the Alberta Heritage Savings Trust Fund - a giant nest-egg which was to ensure economic stability for future generations.

The government initially established four objectives for the fund:

1) to serve as a savings account to provide income stability when provincial resource revenues declined;

2) to lessen the need for the province to borrow and thus reduce the province's future debt load;

3) to improve the quality of life;

4) to strengthen and diversify the economy.

Starting in 1976, the Heritage Fund was to meet these am-

bitious and divergent goals by socking away 30% of the province's resource revenues gathered from oil leases and royalties on the sale of gas, oil, and coal. Through the boom days of the late 1970s the fund grew explosively, racking up financial assets of \$9.7 billion by 1982 (an amount worth \$14.7 billion in 1991 dollars). Because the province was running large surpluses during the same period, it was able to put over 60% of the fund's assets into solid, profitable financial investments, which accelerated the fund's growth.

But then it started to rain.

Then several years of huge spending increases, the Trudeau government's National Energy Program (NEP) and the onset of the 1982 recession saw the province diving into the red. The government responded that year by transferring all investment income

the tap completely, sending all energy revenues directly into government coffers.

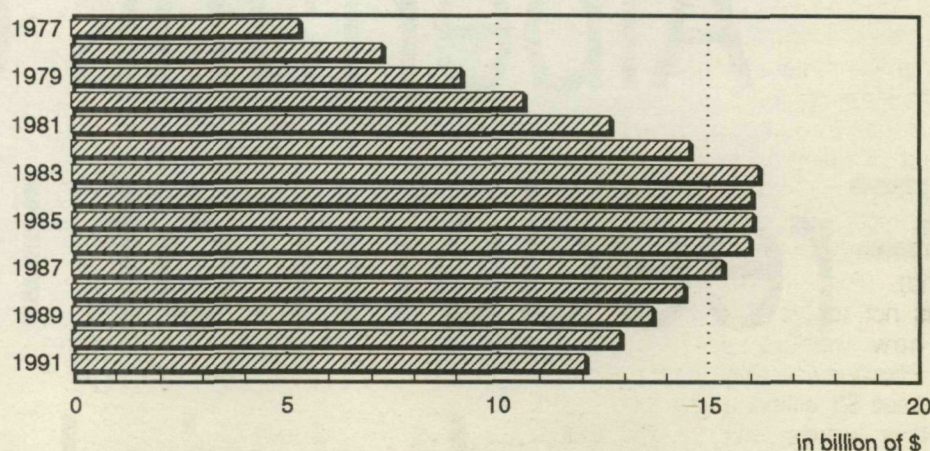
Since that time Alberta's famous nest-egg has been shrinking, with reported "finan-

cial assets" declining from \$12.7 billion in 1987, to \$12.1 billion in 1991. In real inflation adjusted terms the fund reached its peak in 1983. And unless something is done to quickly stem the tide,

the fund that was supposed to be our gift to posterity instead will be worth only a fraction of its current value, and will continue to be eclipsed by the province's ballooning \$15 billion debt.

The rise and fall of the Alberta Heritage Fund

The government's "reported" financial assets - in 1991 dollars



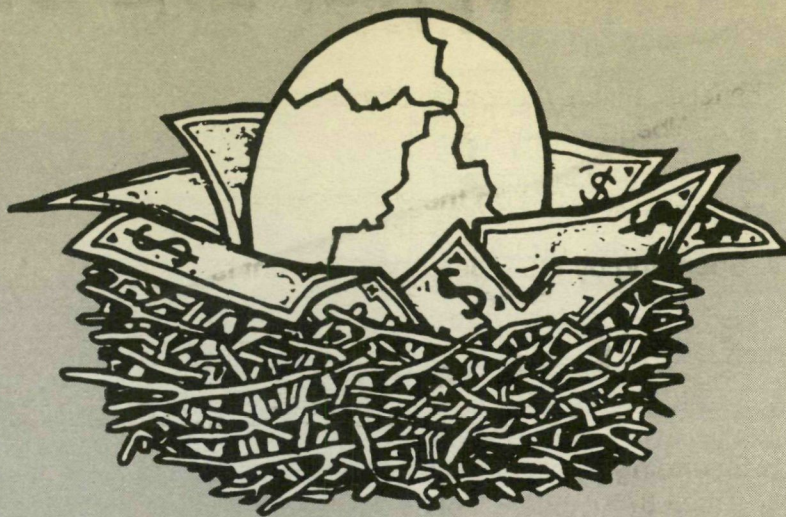
How much is in the Heritage Fund?

by Jason Kenney

The actual size and value of the Heritage Fund is the subject of much debate. The government consistently values the fund's total assets as being worth over \$15.3 billion, a figure that is widely reported by the media and subsequently accepted by many Albertans. However, \$3.2 billion of the government's figure consists of what are called "deemed assets" which represent money that is already spent, and is not recoverable by the government. These assets were spent on a variety of capital projects, such as local hospitals, parks, irrigation projects, and research. The remaining \$12.1 billion value of the fund represents "financial assets" which, at least in theory, have cash value.

A closer look at the Heritage Fund books, however, reveals that the value of these financial assets is exaggerated. First, the fund has loaned \$1.35 billion to the provincial government. Whether this represents a real income earning asset is questionable, considering that the government owns the Heritage Fund and can only repay this loan through tax dollars.

Over half of the fund's financial assets includes loans to money-losing, subsidized government companies, including the Al-



Alberta Heritage Savings Fund - a cracked nest egg?

berta Mortgage and Housing Corporation, the Alberta Agricultural Development Corporation and the Alberta Opportunity Company. These companies consume tax dollars, and were never intended to be profitable. University of Alberta finance professor Glen Mumey has calculated that all together their assets are over-

valued by some \$2.3 billion, largely because they have made bad and unprofitable loans.

So if push came to shove, how much cash could we put

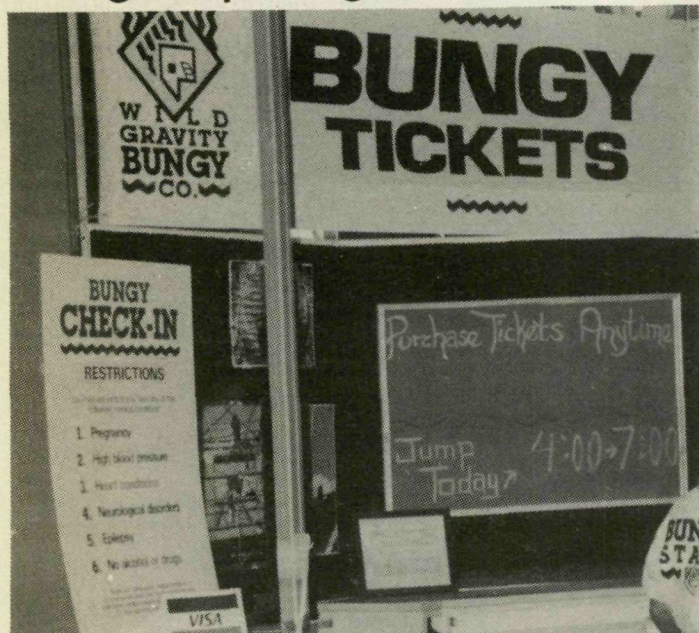
in our jeans if we sold off everything in the fund that's available to be sold? About \$9 billion, some 40% less than the government's reported figure of \$15.3 billion.

According to Dr. Mumey, about \$5.3 billion of the fund's \$9 billion value "is invested conservatively in liq-

"According to Dr. Mumey, about \$5.3 billion of the Fund's \$9 billion is invested conservatively in liquid assets and high quality bonds."

uid assets and high quality bonds," while the remaining \$3.8 billion is invested in risky assets - shaky loans, shares, mortgages and the like by government-owned companies.

Taxpayers take \$150,000 bungee plunge



The Tourism Committee of the city of Edmonton recently announced it was awarding a \$150,000 grant to a bungee jump located in the West Edmonton Mall. This little known committee has about \$2 million dollars from the province to play around with. As well, the committee is recommending a \$157,000 grant to an antique car museum also located in the mall, to build an indoor drive-in-theatre. The bungee grant has got people jumping in Edmonton!

Where did all the money go?

by Jason Kenney

Many Albertans would be shocked to learn that their famous \$15 billion nest egg has a cash value of only \$9 billion, and that its buying-power has been on the decline for nearly a decade. After all, for years politicians have been telling us to put our hope for our children's future in what was supposed to be a sacred trust. So what happened, and who's to blame?

Since 1982, the provincial government has siphoned \$12.2 billion in investment income from the Heritage Fund, and currently takes \$1.3 billion each year out of the fund in order to help pay the government's bills (12.3% of total provincial revenues come from the fund). Since 1987, the fund has not received a dime in new resource revenues, which currently amount to about \$3 billion a year. In other words, the Heritage Savings Trust Fund has never really been managed as a long-term savings account for the future, but as a sort of supplementary income plan for the same generation that established it.

This fate is ironic in light of the government's original intention for the fund, as articulated by Peter Lougheed in 1976: "These (energy) revenues do not belong entirely to the present generation... They can't become a huge slush fund for the Legislative Assembly to satisfy unrealistic

expectations..." But that's more or less what has become of those "heritage" revenues.

The provincial government has argued consistently that the depletion of the fund's assets over the past several years has been necessitated by the drop in oil prices,

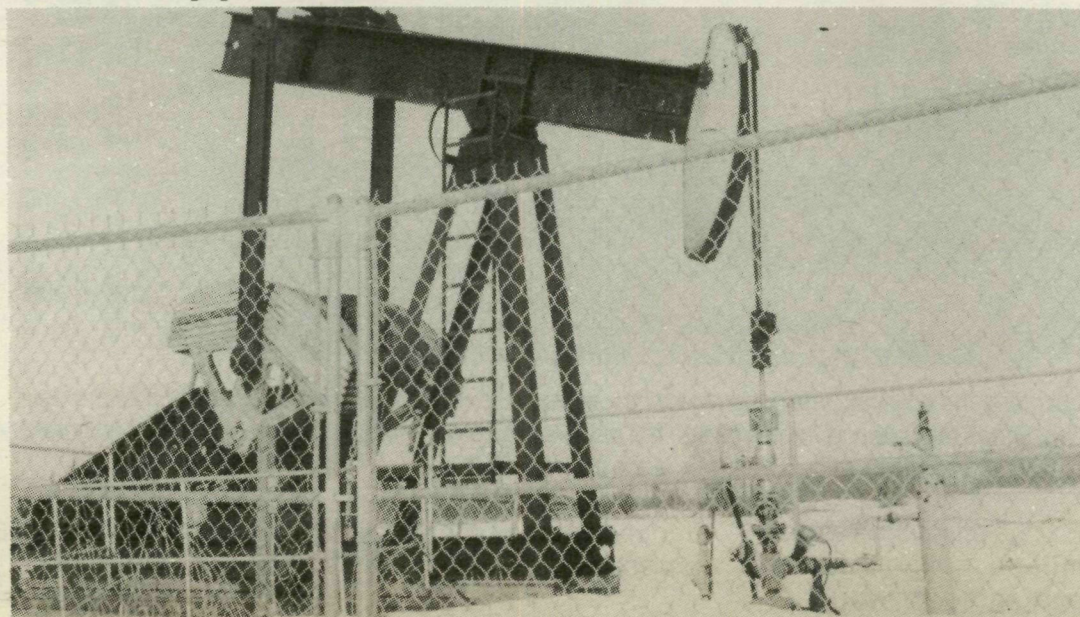
together with tough economic times. However, the evidence shows that the real culprit has been uncontrolled government spending.

A fascinating study conducted by University of Alberta economist Paul Boothe shows that the provincial government

let loose a spending spree in the late 1970s from which taxpayers still haven't recovered. Boothe calculated that total Alberta government spending increased by a whopping 82% between 1979 and 1982, with program spending skyrocketing from about \$1,500 per person in 1978 to \$2,500 per person in 1982! It's no coincidence that 1982 was the same year the government started to raid the Heritage Fund, a policy which was only supposed to last for two years, but has continued for a decade.

If the government had kept the lid on spending over the past 12 years at its level of \$1,500 per person (in 1975 dollars), there would have been no need to siphon money out of the Heritage Fund. In fact, by restraining spending the province would have run ongoing budget surpluses, growing to \$2.2 billion in 1989, rather than ending up with a deficit that year of \$2.4 billion. And brace yourself for this: holding the line on spending would have allowed the Heritage Fund to grow to a 1989 level of \$41 billion.

What happened to Alberta's oil revenues?



Unfortunately, the metal fence was not enough to prevent big spending politicians from plundering Alberta's oil revenues. If the provincial government had kept its spending under control, the Alberta Heritage Savings Trust Fund would now have \$41 billion in assets rather than the current reported value of \$12 billion.

What are Albertans thinking?

The following are the results of a general survey taken by the Association of Alberta Taxpayers.

1. Please comment on the following statements:

a. Spending by the federal government is out of control.

True - 92%
Somewhat true - 7%
Somewhat false - .7%
False - .3%

b. Spending by the provincial government is out of control.

True - 87%
Somewhat true - 12%
Somewhat false - 1%
False - 0

2. Do you feel the government has done a good job of managing the finances of the province?

No - 93%
Yes - 3%
Not sure - 4%

3. Would you support or oppose a law which would force the provincial government to balance its budget?

Support - 96%
Oppose - 2%
Not sure - 2%

4. Alberta is one of a very few provinces left which does not have a Freedom of Information Act. Would you be in support of an Alberta Freedom of Information Act:

Immediately - 96.5%
At some future date - 3.5%
Never - 0
Other - 0

5. Would you say you're as familiar as you'd like to be with how your tax dollars are being spent?

No - 88%
Yes - 10%
Maybe - 2%

6. Some in Alberta have advocated that the management of the provincial Heritage Fund be turned over to a committee of non-political people, and that rather than having any interest or earning from the fund go to the government, the fund would pay dividends directly to the citizens. Would you agree?

Yes - 45%
No - 41%
Maybe - 14%

7. Would you be in favour of using money from the Heritage Fund to pay off the provincial operating debt?

Yes - 61%
No - 32%
Maybe - 7%

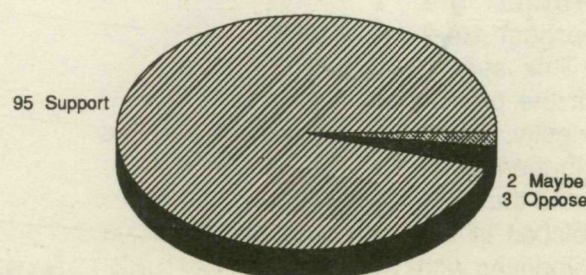
8. Do you support or oppose a EEE senate?

Support - 91%
Oppose - 6%
Maybe - 3%

9. Would you support legislation which would force a referendum on significant decisions regarding spending and taxation?

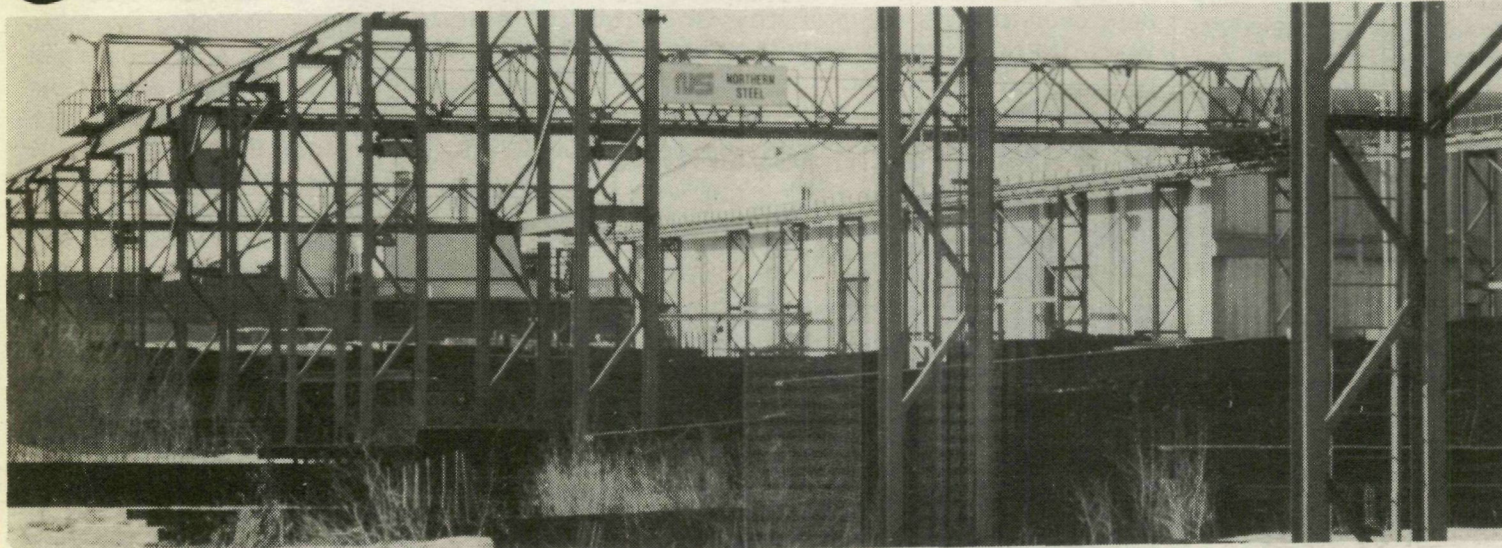
Support - 95%
Oppose - 3%
Maybe - 2%

Would you support legislation which would force a referendum on significant decisions regarding spending & taxation?



as a % of response

Northern Steel - an Alberta gravestone



Under the guise of diversifying and expanding the economy, the government has wasted taxpayers' money on such projects as the now bankrupt Northern Steel. However, the only things that seem to have grown in the past few years are your tax burden and the government's debt. There seems to be a message in the midst of all this.

Alberta taxpayers are the proud owners of Northern Steel. The company stopped production in July 1991 and was put into receivership in October of that year. Its assets of about \$3 million are in the process of being sold by a court-ordered receiver.

It is estimated that the government has between \$13.5 million to \$21.3 million of taxpayers' money in Northern Steel, consisting of a variety of loans, loan guarantees, and lease guarantees*. The following is a brief outline of the taxpayers' involvement in this company:

① May 1988 - Economic Development and Trade Minister Larry Shaben announces the government has extended an 85% guarantee on an \$8 million loan to Northern Steel Inc., value of \$6.8 million;

"It is estimated that the government has between \$13.5 million to \$21.3 million of taxpayers' money sunk into Northern Steel."

② May 1989 - Economic Minister Peter Elzinga announces \$5.1 million in government guarantees and indemnities to Northern Steel;

③ June 1989 - Without public announcement, the government acquires 83% of Northern Steel in an effort to protect the province's largest steel fabricator. This sparks criticism from the provincial steel industry, which argues that Northern Steel is not viable and that they have been placed in the position of competing with the provincial government.

④ November 1990 - Economic Minister Peter

Elzinga announces a \$2.5 million export loan guarantee to Northern Steel.

⑤ March 1991 - The government puts Northern Steel up for sale at \$5 million, writing-off at least \$10 million in loan guarantees. The sale prospectus lists some \$200 million in potential contracts for

cancelled and shelved projects.

⑥ October 1991 - The bank calls in an \$8.4 million loan to Northern. The government responds by putting Northern into receivership. Peter Elzinga claims that maximum loss to the treasury will be \$13.5 million, but the opposition ar-

gues it could be over \$20 million.

⑦ In addition, opposition parties contend that the government made \$10.3 million in capital lease and performance guarantees on behalf of Northern. (Because Alberta does not have Freedom of Information Legislation, this infor-

mation can not be confirmed at this time.)

Not surprisingly, the private steel operators have heatedly opposed the government support of Northern Steel, asserting that the company is unviable, and that its presence was undermining smaller fabricators who were operating profitably without government subsidies.

Northern Steel is a classic example of government support for business gone wrong. In effect, efficient private manufacturers were forced to subsidize their competition through their tax dollars. Taxpayers could face a total loss of over \$20 million, and the government has refused to tell the whole story leaving some very unsettling questions. It again underscores the need for Freedom of Information legislation in the province.

*Lease guarantees refer to the obligation by the government to pay out any leases on equipment should Northern Steel default on their payments.

What's Don Getty hiding?

If they're running a good government they have nothing to hide.....

Don Getty, the Premier of Alberta must have something to hide because he runs the most secretive government in the country, and he refuses to guarantee access to information about government spending.

Take for example, all the loan guarantees that the province has made. Why should the people who are ultimately on the hook for this stuff not know who the

government is cutting deals with?

Instead, the premier hunkers down in the legislature, and arrogantly refuses to say what they are doing with the taxpayers' money. How about a little Perestroika, Mr. Getty?

Since Alberta is only one of two provinces that either doesn't have FOI legis-

lation or is not intending to institute such legislation, it's time to turn up the heat.

If you have not done so, fill in this coupon today, even photocopy it and give it to your friends. We'll make sure Premier Getty gets the message.

To Premier Don Getty:

In the spirit of democratic accountability and open government, I urge you to follow the lead of the eight provinces in Canada who either have Freedom of Information legislation or will soon be implementing it, and enact the Alberta Freedom of Information Act as put forward by the Association of Alberta Taxpayers.

Name: _____ Address: _____

City/town: _____ Postal Code: _____

Signature: _____

Please fill out this coupon, and mail it to: The Association of Alberta Taxpayers
#300A - 17304 - 105th Avenue, Edmonton, Alberta T5S 1G4

We'll make sure the Premier gets it!

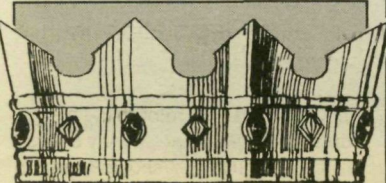
The divine right of political parties

by Kevin Avram

Years ago, back in the days of the knights and dragons I suppose, there existed a doctrine called the divine right of kings. Historians record that the theory was a relatively short lived one, because rather than subscribing to such a foolish notion, the peasants executed the king.

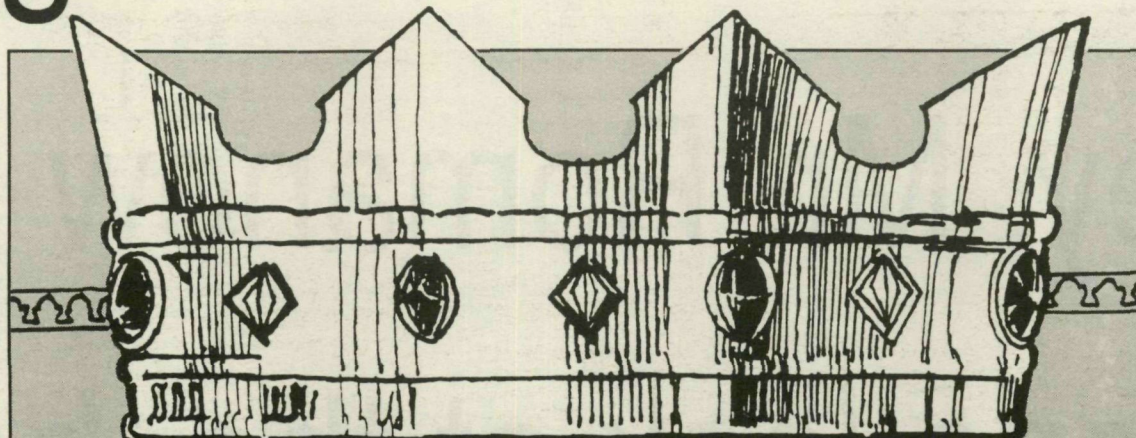
The doctrine, which was promoted by such people as Sir Robert Filmore, advocated that to question the decisions or the authority of the king, was the same as questioning the decisions and authority of God.

The theory died its first death in 1649, when King Charles I was executed. What was left of the notion was polished off



My hunch is that the political parties would work these taxpayer funded think-tanks similar to the senate where the politically faithful could be rewarded with a patronage appointment at taxpayers' expense.

about 40 years later, when the British Bill of Rights was established. The doctrine had risen to prominence primarily be-



A few hundred years ago, some of the political elite believed in dragons and the divine right of kings. Today, we have political dinosaurs who advocate the divine right of political parties.

cause the British Parliament and the larger communities were beginning to assert themselves and to question the decisions of royalty.

As people in Canada today look back on such a notion, I think most of us are struck by how arrogant it seems. The very idea seems oppressive, and who would want to live under such conditions. But, are we really free from such arrogance today?

I would argue that we're not. I say that because the nation's three main political parties have recently come up with a similar doctrine. The only difference is that instead of being called the divine right of kings, their idea should be called the divine right of political parties. And, just as the doctrine of the divine right of kings rose to prominence at a time when ordinary people were challenging the authority structure, so

too, the doctrine of the divine rights of political parties is rising as ordinary people challenge the authority structures.

Last month, a government appointed commission of politicians and political bagmen presented a report to the government that essentially calls for this doctrine to be established in law. Among other things, the commission is recommending that political parties be permanently funded by taxpayers, and that political parties alone should be able to publicly debate issues during an election campaign. The commission says that every political candidate should be paid one dollar for every person who votes for them, and in addition, they want each of the political parties to get paid 60 cents for every person who votes for one of their candidates. They also want taxpayers to pay them another 25 cents per vote, for the purpose

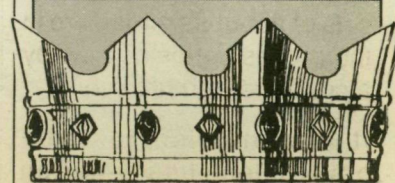
of setting up their own little kingdoms called political think tanks. My hunch is that these "mini-kingdoms" would work similar to the Canadian Senate, where the politically faithful could be rewarded with a patronage appointment at the taxpayers' expense.

The commission also says that Canadians have grown weary of political parties, and that the rank and file members of the parties are also frustrated because they are powerless in many cases to change things.

So, in typical pompous Ottawa fashion, instead of suggesting that the political parties should clean up their act, these political fatcats are advocating not only that their political parties and political agencies should be funded by the taxpayer, but they also want to pass a law that would prohibit people other than themselves from participating in an election

debate. Their proposed legislation would prohibit anyone during an election campaign from spending more than \$1000 on such things as informing people about the MPs' generous pension benefits, or questioning how they intend to pay for expensive election promises.

In the old days, the first time this notion came up, the people killed the king. For round two, they passed a bill of rights which guaranteed that such nonsense would be stopped. Today, the politicians of Canada are seeking to overlook these historical fights for freedom and instead, would severely limit freedom of speech and expression, want-



Their proposed legislation would prohibit anyone during an election campaign from informing people about the MPs' generous pension benefits or questioning how they intend to pay for their expensive election promises.

ing to take us back to the days of knights, dragons, and the divine right of politicians. Oops, I mean kings.

New arts tax for Saanich - British Columbia

You would think that some city councils have money to burn. Unfortunately, the money always comes out of the taxpayers' pocket. It seems to be the latest fad sweeping the country, as a number of municipal councils are starting to set aside a percentage of money they spend on public buildings for the purchase of art.

The Saanich council has been the latest to join. Though the details have not fully been worked out, the council will be setting aside a percentage of money they spend on public buildings for the purchase of art. The figure being discussed is 1%.

Saanich Alderman Ray Williams has vocally opposed the tax saying taxpayers can't afford this type of program. He mentioned that many taxpayers are al-

ready wondering how they can afford fancy art for the buildings.

This 1% arts designation

will ultimately have to be paid by the taxpayers and is nothing more than a tax. The tax will be in effect for such projects as the

Saanich Commonwealth Place which is already costing taxpayers \$21.5 million to build. The 1% art tax would see taxpayers fork over another \$210,000. The new police building would see another \$100,000 of taxpayers money sunk into art. Other projects in line for the tax include Saanich's fourth recreational centre in Royal Oak.

monton, which reached new heights of absurdity when they were going to purchase \$500,000 of art for their new water treatment plant. This in a city that already has

Do Saanich taxpayers want to spend \$210,000 on art for the Saanich Commonwealth Place?



The City of Edmonton also has an arts tax.

The arts tax has been promoted by the Greater Victoria Arts Commission. Fortunately, the council hasn't decided if it will waste another \$12,000 of the taxpayers' money to hire a consultant to advise them on how to set up the program.

This proposal is similar to that instituted by the City of Ed-

some of the highest utility rates in the country. Some cities have gone so far as to require private developers to pay a similar tax.

With the country in a recession, and taxpayers already stretched to the limit, taxpayers are only left to wonder how politicians could even consider such a proposal, much less approve it.

Association of Saskatchewan Taxpayers

Supplement to "The Taxpayer"

March/April '92

Hey, Mr. Romanow let everyone look at the books!



***Taxpayers have the right to know where their tax dollars
are being spent.***

Despite the good work done by the Gass Commission, the province's books are not now, nor have they ever been open to the public.

"The process of allowing a government appointed commission to examine certain financial matters related to the government on

a one shot deal, and then to deny the citizens any further access to government information after that commission is finished, is

unacceptable," says Craig Dockstader of the Association.

"At present, we have no guarantee that the books of the province will be open and accessible to Saskatchewan people in the future," Dockstader said, "and we are therefore urging the Premier to go the next step, and to declare his intention to permanently open the books."

"The report of the Gass Commission does an excellent job of defining the problem, that being that the books of the province and what governments do with our money, is not open and accessible to the public," he said.

"However, the existence of this new report in and of itself, does not resolve any of

the problems the commission has defined, unless the Premier takes tangible steps to ensure the books stay permanently open," he

"At present we have no guarantee that the books of the province will be open and accessible to Saskatchewan people."

said.

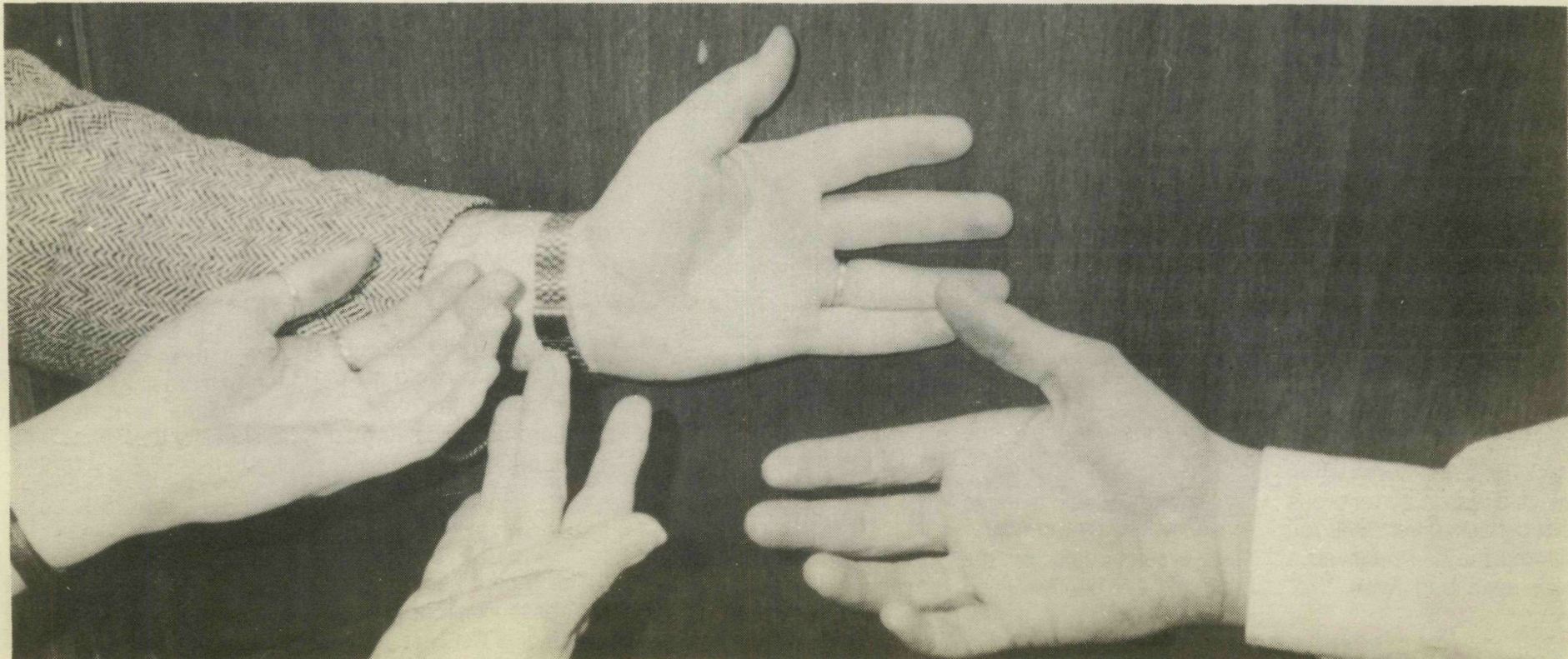
Dockstader said the government could ensure the books stay open to Saskatchewan people by plugging the loopholes in the proposed Freedom of Information Act, and by adopting the accountability and disclosure changes that are proposed by the Gass Commission.



Taxpayers respond to Gass Commission report at a Regina news conference, from left to right: Tom Porter - research economist, Kevin Avram - National Coordinator, Craig Dockstader - Provincial Coordinator and Dr. Chris Gerrard - Chief Economist

Income tax = debt Tax

How much of your provincial income tax is going to pay the interest on Saskatchewan's debt? All of it!



Where has all the money gone? Did you know that the interest on Saskatchewan's debt is nearly \$1 billion per year and that the Saskatchewan government collects roughly \$1 billion a year in personal income tax?

Most everybody knows by now that the Saskatchewan Financial Review Commission, often called the Gass Commission, went through the books of the province and restated the amount of debt and liabilities that Sas-

counting how much we might be on the hook for as a result of co-signing various business deals, it adds up to \$17.159 billion.

Because the majority of the people in the province don't pay any significant amount of tax, this debt is actually being carried by a relatively small portion of the population. If you take the children out of the equation, those on smaller and fixed incomes,

and those below the poverty level or on welfare, the whole thing begins to be seen in a different light.

There are several categories of debt, but not counting how much we might be on the hook for, as a result of co-signing various business deals, it adds up to \$17.159 billion.

katchewan citizens owe.

There are several categories of debt and liabilities, but in total, not

To give you an idea of how the debt is structured consider this: the government of Saskatchewan has an operating debt of \$8.432 billion, the Saskatchewan Crop Insurance Corporation owes \$198 million, SEDCO owes \$269 million, Sask-Energy owes \$776 million, and the Saskatchewan

Grain Car Corporation owes \$46 million.

SaskPower owes \$1.4 billion, SaskTel owes \$757 million, STC owes \$8.4 million, and the Saskatchewan Water Corporation owes \$125 million. The unfunded pension liability that is owed to former civil servants and teachers adds up to \$3 bil-

lion, and other liabilities owed by the government or government companies total \$2.15 billion.

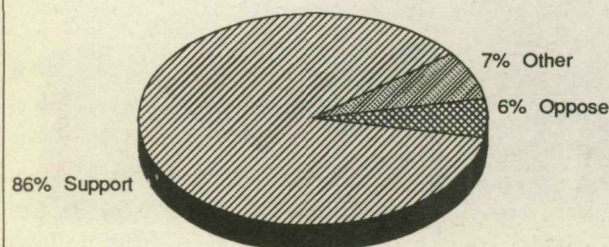
On a per family basis, the debt works out to \$68,638 and the interest for a family of four amounts to \$4,827 a year or a little better than \$400 per month.

Watching the budget come down



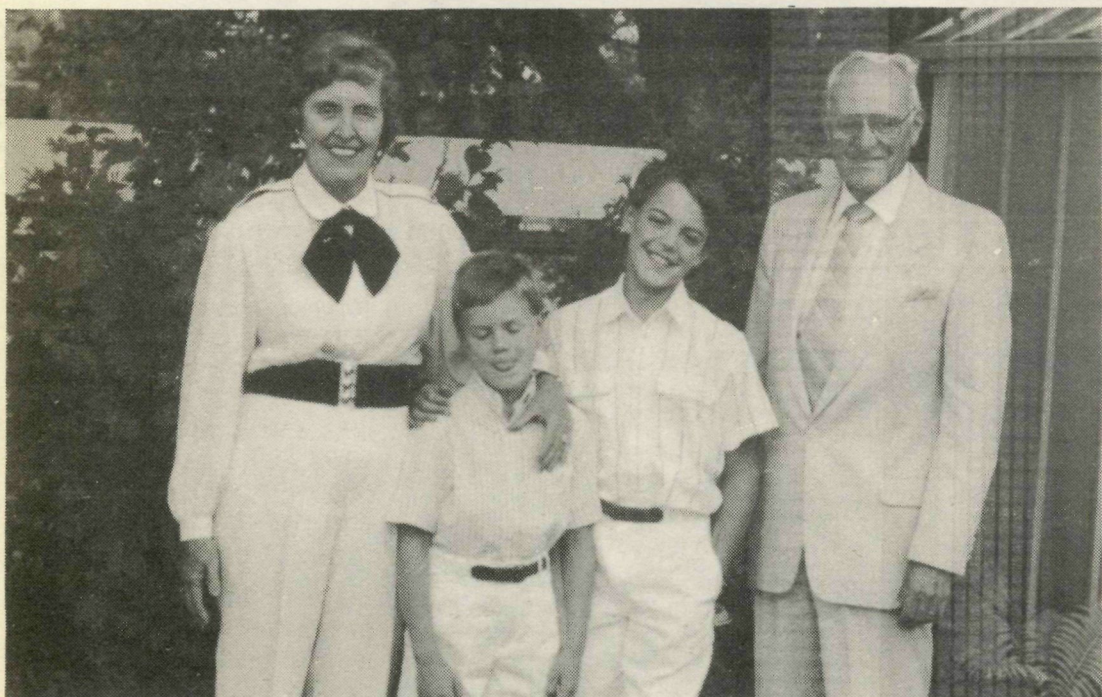
Watching Mazankowski's budget being delivered. The media was on hand to get the Federation's initial reaction to the budget.

Government owned companies are several billions of dollars in debt. Would you support or oppose a move to see some of this debt converted to shareholder equity?



Survey by the Association of Sask. Taxpayers

How to escape the marriage tax?



Art Fox and his wife Bunny with two of the reasons he couldn't escape the marriage tax.

By Art Fox

Back in December, when my wife was in an amorous mood, I asked her, "Will you divorce me?" I received a very swift and terse "No"

"So why the divorce?" she asked.

"Well honey," I said trying to reassure her that our marriage wasn't really on the rocks, "I have been working

"Oh, that's easy to fix, I'll just rewrite my will and you will be the beneficiary just the same as you are now."

"But what about the house," she added.

"No problem," I told her. "The house is in both our names with the right of sur-

vivorship. So you'd still get the house."

"But what would the neighbours say," Bunny asked.

"They wouldn't need to know," was my reply. "We would do it quietly, no fuss, no mess, no one would leave home, and the neighbours wouldn't notice." So far she seemed satisfied.

"But what about our children and grandchildren, don't you think they'd have a problem with us getting a divorce after 45 years of marriage." It was at this point that I decided this great idea to avoid paying the marriage tax may be a bit more complicated than I first thought.

I reasoned that it wouldn't be a problem for our children, our three sons are all chartered accountants and they would understand. However, how would I explain to the grandchildren that grandma and grandpa are getting a divorce because of the tax system?

"Well, Bunny," I said, "as tempting as it is, I guess we will have to stay married and pay the extra \$1,600 in Income Tax. But you have to question a system that rewards couples for living common-law and punishes those who want to get married. It is because of situations like this, that an ever-increasing number of Canadians have little or no respect for the Canadian tax system."

Editor's note:

The recent budget announcements have taken some steps to eliminate the marriage tax. There will a discussion of the changes that have taken place in the next issue of "The Taxpayer."

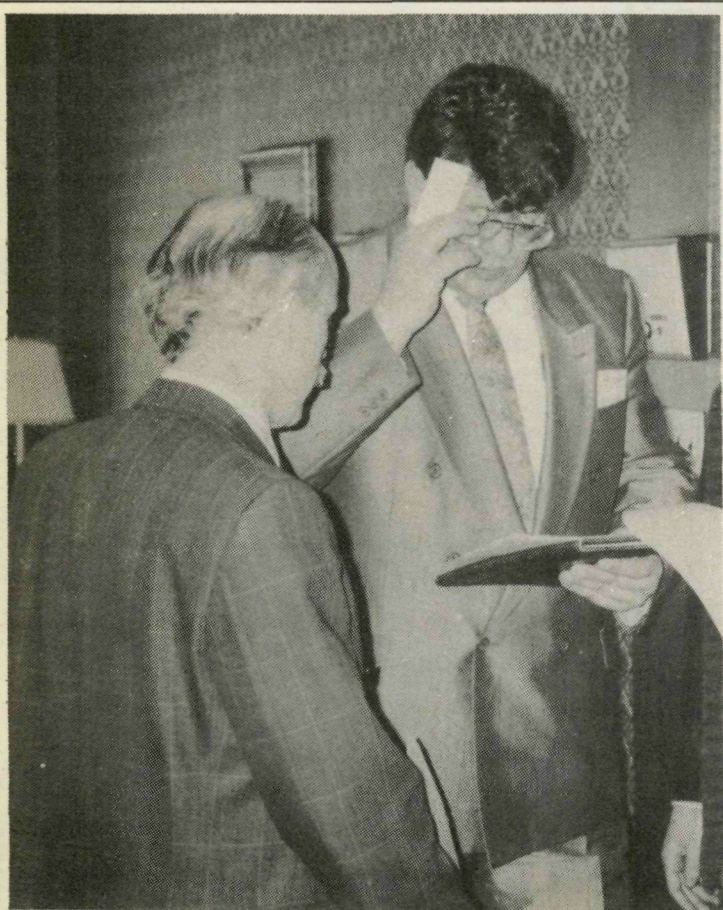
"No wonder an ever-increasing number of Canadians have little or no respect for the Canadian tax system."

and she asked, "Why do you want to divorce me? Is she young? Is she pretty? Do I know her? Why would you want a divorce after 45 years of marriage?"

"There is no other woman," I replied, "and I love you very much and wouldn't want to leave you under any circumstance."

on my income tax and discovered that if we weren't married, and just lived together, we could save almost \$1,600 a year in taxes. That's enough to pay our property tax."

"But what if you die," she asked, "I wouldn't be your wife, and who would inherit your estate."



Kevin Avram speaking at the USAdian club (US-Canadian) at a February luncheon

The taxpayers' wallet is empty



Most Saskatchewan families are finding that bills and taxes are taking up more and more of the the families' income. The news that a family of four is paying \$400 a month just to pay the interest on Saskatchewan's debt only drives home the need for balanced budget legislation in Saskatchewan. Are you listening Mr. Tchorzewski?

How much do Saskatchewan people really owe?

Last month, the Financial Review Commission released its report on the province's finances. Among other things, the report says the province must cut spending, and that the financial statements the government has been producing over the years are not accurate representations of the way things really are. According to the commission, the debt figures which have been reported by the government aren't accurate either.

As an example, the commission cited the creation of the Sask Property Management Corp. (SPMC). Back in 1986, the Devine government had taken the Department of Supply and Services and turned it into a Crown Corporation which they called SPMC. When SPMC was still the Department of Supply and Services, every dollar they spent was recorded as an expenditure on the province's financial statement. After they turned the department into a crown corporation, the government continued to fund it. However, instead of showing the money they spent on SPMC as an expenditure, they began to record the spending

as an asset by claiming they loaned the money to SPMC. The fact that SPMC doesn't have any money that they don't get from the government in the first place seems to have been conveniently ignored. In other words, SPMC couldn't pay the money back unless they got the money from the government, yet the government still recorded \$700 million spent this way as an asset.

In another vein, Sas-

katchewan taxpayers owe roughly \$3 billion in pension benefits to teachers and civil servants that no money is set aside for. This unfunded liability amounts to roughly \$12,000 for every family in the province, and again, had never been accounted for in the province's financial statements by either the Devine government or the Blakeney government.

The Commission also reported

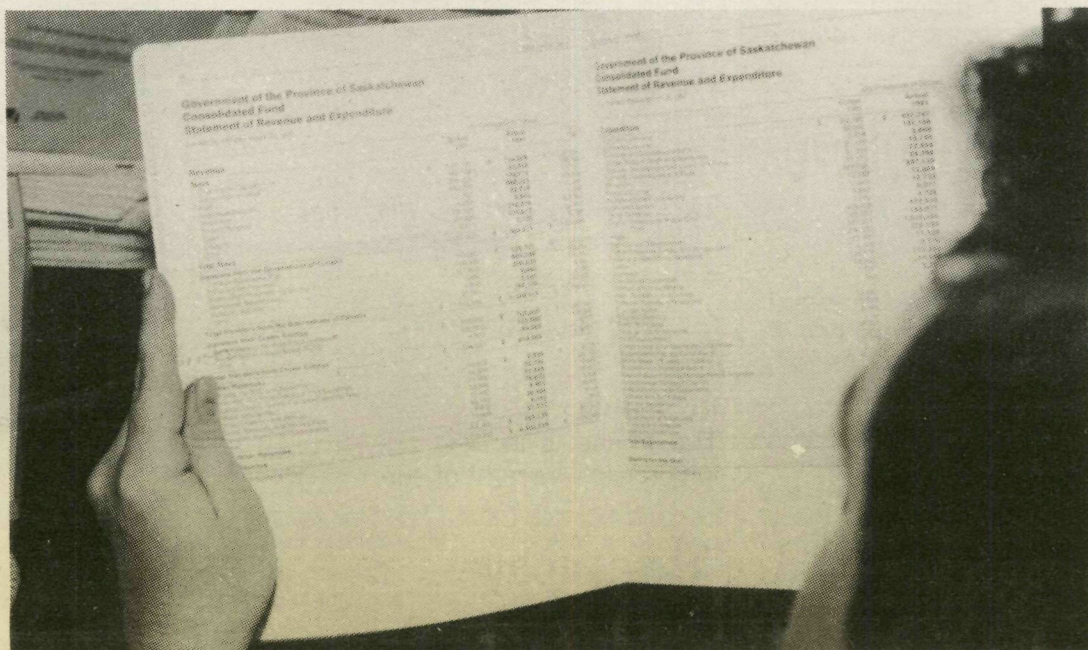
that the government has co-signed or guaranteed loans that could put taxpayers on the hook for another \$1.7 billion. This includes \$261 million to the Cargill Fertilizer deal, \$51 million for the Weyerhaeuser project, and over \$300 million for private home improvement loans, \$65 million in loans for IPSCO, nearly \$40 million to Manalta Coal Ltd., and roughly \$80 million under the Farmers Assistance

Act and the Feeders and Breeders Loan Guarantee Program.

In total, Saskatchewan's accumulated operating debt was \$8.5 billion on March 31st, 1991, and it costs roughly \$900 million to pay the interest which is about how much the province spends each year on education.

In addition to the operating debt and the unfunded pension liabilities, the government-owned companies in the province have roughly \$5 billion in debt and liabilities, and still other government liabilities amount to \$809,872,000. This means that if you include the loans guaranteed by the taxpayers, Saskatchewan citizens are on the hook for a grand total of \$19 billion dollars.

Despite the tragedy of this whole thing, and despite the fact that the province is being buried by government borrowing, Finance Minister Ed Tchorzewski has refused to say he'll do what 80% of the people told him to do during the last election: pass a balanced budget law to put a stop to this nonsense.



The province's financial statements are not a true picture.

What are Saskatchewan people thinking?

The following are the results of a general survey taken by the Association of Saskatchewan Taxpayers.

1. Have you ever written a letter to your MLA or MP?

Never - 67.5%
Once - 13.5%
Twice - 12%
Often - 7%

2. In Saskatchewan, the government-operated companies are several billion dollars in debt. Would you support or oppose a move to see some of this debt converted to shareholders equity?

Support - 86%
Oppose - 6%
Other - 8%

3. Do you feel the public has been realistic regarding the spending expectations they've placed on governments over the past few years?

Yes - 12%
No - 86%
Other - 2%

4. Do you approve of the provincial government spending your tax dollars on French language education?

Approve - 12.5%
Disapprove - 87.5%

5. Would you support or oppose the expanded use of referendums in determining such things as tax hikes, balanced budget laws, etc.

Support - 91.5%
Oppose - 8.5%

6. Do you support or oppose official multiculturalism?

Support - 16.5%
Oppose - 83.5%

7. Do you feel that you personally have been realistic in your expectations of government spending?

Yes - 62.5%
No - 37.5%

8. Would you support or oppose legislation that would limit a federal politician to two terms in office?

Support - 70.5%
Oppose - 29.5%

9. Are you aware of the fact that political parties and candidates receive money from the government (taxpayers) for election expenses?

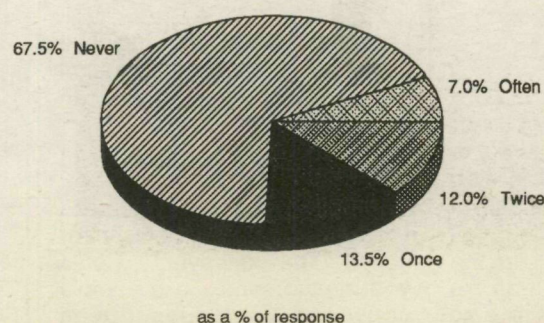
Yes - 74.5%
No - 25.5%

10. Do you approve of this?

Yes - 12.5%
No - 87.5%

Have you ever written a letter to your MLA or MP?

Association of Saskatchewan Taxpayers
Survey results - winter 1991-92



Manitoba government

Kills community initiative

by Dr. Chris Gerrard

Effective January 31, 1992, the government of Manitoba closed down the "Fight Back Against Child Abuse Campaign."

Started in 1988 as a small community-based program in North-east Winnipeg, the Fight Back Campaign had succeeded in raising the funds necessary to operate the Sexual Abuse Treatment Program in that part of the city.

Staffed by volunteers and only two paid employees, the campaign had attracted broad community support and corporate sponsors such as Mac's Convenience Stores, Coca Cola,

and the Winnipeg Blue Bombers. As a result of its success, eleven agencies who provide services for abused children came together in January 1991 and expanded the program to the entire province.

Now, right in the middle of this year's fundraising campaign, the Department of Family Services has taken over the operation of the program. No satisfactory reasons have been given.

Does the department think it can run the program with paid civil servants as efficiently as a non-profit group with volunteers? Does the department think the corporate sponsors will continue

to support a government program to the same extent, if at all?

Instead of crowding-out such non-profit groups, the government should learn some lessons from the Fight Back Campaign, and save taxpayers' dollars at the same time. First, non-profit programs are often more efficient than the direct government provision of social services, since non-profit groups provide greater opportunities for parents and other volunteers to par-

ticipate in the program at no cost to the taxpayer. By contrast, government bureaucracies are often less responsive to community needs and concerns.

Second, non-profit programs are often more successful in generating additional resources for their programs -- not only money, but also labour, energy, organizational ability, and commodities. People are more willing to donate resources to programs over which they have some influence or control than to

government departments over which they have little or no influence or control.

During the present period of fiscal restraint, Canadians are no less caring than before. The Fight Back Campaign demonstrated that Canadians are willing to give freely of their own resources in support of particular causes. They are becoming less willing to pay increased taxes to support these same causes, when run by government bureaucracies.

76% pay increase for Winnipeg city council

Fortunately, Manitoba is in a recession or it would be impossible to say by how much Winnipeg city council would have increased their salaries. As it is, they gave themselves a massive one-year salary hike of 76% which will see an alderman's salary jump from \$23,000 to \$44,000 in November. The number of councillors will also be reduced from 29 to 15.

Setting an example of restraint, the mayor's salary will only increase by a mere 14% to \$75,000.

However, as if that wasn't enough to make people's wallets' turn, city council also decided that taxpayers should double the contribution they make to the councillors' pension plan.



The community organization, "Fight Back Against Child Abuse" was raising its own support and providing a worth-while service to the community. Without warning, the provincial government suddenly took it over. Do you think that corporate sponsors such as Coca Cola are going to continue to fund this organization now that the government has taken it over? Do you think in the end, that taxpayers are going to be forced to hand over more money to pay for this bureaucratic interference?

Letters to "The Taxpayer"

I found your Nov./Dec. issue at a friend's place over the holidays and promptly read it cover to cover. This is the data and viewpoint that all Canadian taxpayers' need. Your job is to somehow get it to them. I would like a copy for myself of the Nov./Dec. issue and a subscription.

B.M. Vancouver, B.C.

I came across your paper "The Taxpayer" last fall in Kamloops and was most impressed by it. I would be most interested in subscribing to it. I would like to know the subscription price please.

W.T. Edmonton, Alberta

Your enlightening publication has found its way to Yuma, Arizona, where my husband and I spend our winter months. Here we find that your articles generate a great deal of interest among us Canadian snowbirds.

Would you be so kind as to put us on your mailing list and bill us accordingly. Thank you and keep up the good work.

M.B. Calgary, Alberta

I recently read one of your magazine copies. I would like to be put on your mailing list. Would you please do this and let me know if there is a fee, because I couldn't find it in the paper I read. I enjoyed all the information and would like to subscribe.

D.H. Milk River, Alberta

Please send me a subscription of this paper. Let me know what the rates are, so I can place an order.

S.K. Preeceville, Sask.

I am writing you to find out how much "The Taxpayer" costs as I would like to get it. I already have the one for Nov/Dec. There is a lot of good reading in the paper and as an old age pensioner I would like to see where my money goes as they are taking all of my one pension in Income tax. I am 70 years old, and I know these politicians have gotten us into real bad shape. We should do like Saskatchewan and get rid of their excessive pensions and let them lose their jobs and finally, like the rest of us, make them use a food bank. Many of them don't seem to pay income tax anyway.

Well so long for now. Lets get these crooks out of office and make them pay their fair share of income tax.

B.B. Alix, Alberta

I am interested in receiving "The Taxpayer", It is full of information and very interesting. If you can please forward to.

G.N. Saskatoon, Sask.

I have heard of your newspaper called "The Taxpayer." Could you please send me a sample copy and your subscription rates.

L.S., Castlegar, B.C.

I was recently shown a copy of your publication, "The Taxpayer." I would be grateful if you could send me copies of your two most recent issues and put my name on your mailing list to receive "The Taxpayer" on a regular basis.

D.C. Edmonton, Alberta

I wish to echo the many complimentary letters published in the Winter '92 of "The Taxpayer." Your publication is both interesting and thought-provoking.

Please let me know how I may subscribe and perhaps obtain a few back issues.

A.J. Nepean, Ontario

I would like a subscription to "The Taxpayer." Please send the latest copy and bill me for the same.

W.A. Coalhurst, Alberta

I received your address and some of your publications from my parents who reside in Saskatoon. I wish to commend you on your worthy organization.

N.C. Houston, B.C.

As a rural mailman, I have noticed a magazine which is called "The Canadian Taxpayer". I would like information on this magazine please.

Alberta

Please forward subscription details on your bi-monthly magazine, "The Taxpayer."

B.M. Charlottetown, PEI

I recently had the opportunity to read a couple of articles from "The Taxpayer", and found them very interesting and informative.

I, like the majority of Canadians, am very concerned about the state of our economy. In times like these, one can't help but be concerned with the way in which the federal and provincial governments continue to hinder the taxpayers of this nation.

I would be very interested in becoming a subscriber to your publication. If you could send me further information on how to subscribe to "The Taxpayer", it would be greatly appreciated.

R.W. Fairview, Alberta

A friend of mine passed your fine paper on to me to read. I would like to get a subscription. Could you please send me your most recent issue and put me on your mailing list and bill me accordingly.

Thank you kindly for your attention to this matter.

G.B. Springside, Sask.

We would like more information on your organization and as well we would like to possibly receive the newsletter - "The Taxpayer." Please send information.

G.F. Armstrong, B.C.

Please advise us on the availability of the paper, "The Taxpayer." We would be interested in receiving a copy. Thank you for your attention in this matter.

S.H. Edson, Alberta

I am frustrated at the government(s) about overspending my tax-money, and about the huge debt load the government has burdened Canadian taxpayers with.

E.S. Crossfield, Alberta

I received a copy of "The Taxpayer" (Nov/Dec issue) from a friend. I appreciated the concise and informative information found in the articles.

For a number of years now, I have been frustrated with the way in which governments of all political stripes, and at all levels spend our tax dollars.

I would like to subscribe to "The Taxpayer". Please send information on how to obtain a regular subscription. I am also enclosing a list of friends I feel would be interested in subscribing. Please send them a copy of the Nov./Dec. Taxpayer along with information on how they can receive a regular subscription.

B.K. Winnipeg, Manitoba

Please address all correspondence to "The Taxpayer" #200 - 1315 Scarth St., Regina, Sask., S4T 2R7. Letters may be edited for length and clarity.

The co\$ of official bilingualism

by Kevin Avram

Lately, I've spent a fair amount of time thinking about the cost of bilingualism. In the past, I've never had any particularly strong feelings one way or the other on the policy and I guess it's fair to say I've figured it didn't really affect my life, and that people didn't have to listen to those French stations if they didn't want to.

Over the past several weeks though, I've been re-evaluating my ideas on it. Sure, people can still change channels, and yes we don't have laws in most parts of the country which prohibit English words on road signs, but what's really got me thinking is the enormous cost of the policy.

Several weeks ago, our association began to assemble data on the cost of

bilingualism over the years, and was I surprised. In addition to our own research, we checked with a few other sources on the matter too. One source indicated that he thought the total cost stood at well over \$25 billion, and another said just under \$20 billion. Personally, I'm not exactly sure, because the real cost is buried in the books of virtually every department of the government.

The actual grants can be calculated through the Secretary of State's records and the cost of French immersion education can be established too, but the cost of printing, translation, private sector compliance, and a bilingual civil service is obscured or else buried in accounting records, often under different names or headings. Based on our own investigations thus

far however, I would tend to think that close to \$20 billion probably isn't too far out of line.

This is \$20 billion that was taken out of our pockets to pay for bilingual programs in areas of the country where hardly anybody knows more than five words in French. These billions didn't fund social programs, didn't relieve poverty, didn't cure the sick, and didn't build any roads. In tangible terms, it would appear that this \$20 billion didn't accomplish very much. Now don't get me wrong, I've got nothing against the French language or French people, and I wouldn't even classify myself as being anti-bilingual. For me it's simply a mat-

ter of practicality and cost. Is it reasonable to expect English Canada to pay tens of billions of dollars in taxes to promote French in their own provinces?

"It's not a matter of being anti-French or anti-bilingual, the truth is, we simply can't afford it."

Governments are supposed to provide essential services, build roads, administer justice, maintain health standards and other necessary regulations. They're expected to administer social programs with taxpayers' money, provide for those who can't care for themselves, and spend our dollars on programs and policies which produce tangible benefits.

I would respectfully suggest that spending billions in taxes to promote French in English Canada doesn't constitute a wise use of twenty billion dollars or vice versa. Would it be considered cost effective or smart if we spent billions of our tax dollars promoting Ukrainian in Alberta? After all, there are more Ukrainian people in Alberta than there are French.

How can politicians reasonably defend a policy which contributes to Canada's continuing fiscal decline, yet produces no tangible benefit or satisfies no pressing need? Must we wait another ten years and chalk up billions more in debt before we finally admit that we can't afford official bilingualism? It's not a matter of being anti-French or anti-bilingual, the truth is, we simply can't afford it.

From the

Auditor General's Report

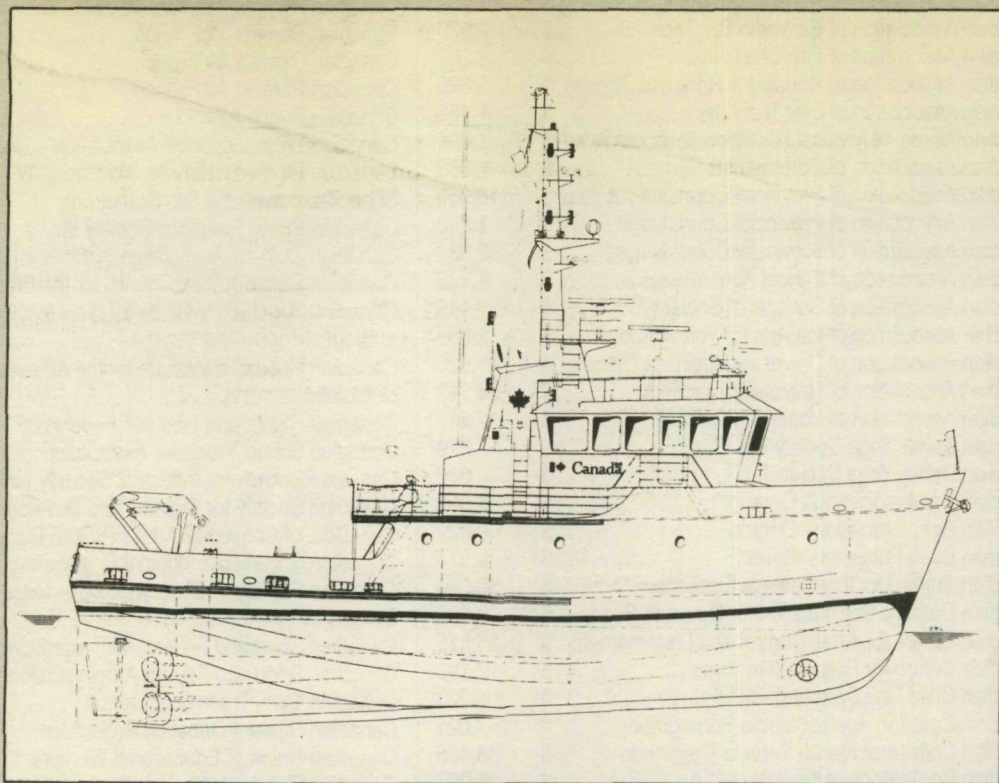
Government loses \$475,000 on ship design contracts

Denis Desautels, the Auditor General of Canada, in his 1991 Report to the House of Commons, stated that the area of ship design has been a chronic problem for the government. Taxpayers may remember the horror story reported in the Summer '91 edition of "The Taxpayer" concerning the Canadian frigate program.

In his 1991 report, Desautels reported the following difficulties that the Department of Supply and Services en-

countered in arranging for the construction of a ship for the government. It is referred to simply as Case 4. Desautels stated in his report that the problems reported were typical of those encountered by the government in many of its ship construction escapades.

Report of the Auditor General to the House of Commons - December, 1991



Summary

1984 - Department of Supply and Services (DSS) awards contract to design a ship on behalf of the government. **Cost - \$102,000**

1987 - After going to tender, department realizes that this design will cost more than it had originally budgeted. The department asks company to redesign a ship that will cost \$1 million less to construct. **Cost - \$60,000**

1989 - The department re-tenders projects and accepts a contract to build the ship for \$5.6 million. The original shipbuilder determines that there are deficiencies in the design. The original designer is paid **\$13,000** to defend against the accusations.

1989 - The government decides there may be flaws in original design, and contracts with shipbuilder to redesign the ship. **Cost - \$300,000**

1991, February - Delays in construction, modifications to design and changes by client department increase costs by approximately \$1 million.

1991, May - The project is cancelled due to lack of money. Total waste of taxpayers' money is approximately **\$475,000**.

Civil servants receive bilingual bonus

In an effort to encourage bilingualism in the bureaucracy, Ottawa pays employees \$800 each year if they can pass a basic bilingual test and occupy bilingual posts.

This practice has been in place since 1977. Last year the annual bonus was paid to over 58,000 employees at a cost of over \$46 million.

Because the federal government has been running deficit budgets since 1970, the program has been paid for with borrowed money. In 1990, federal employees also received approximately 1.6 million hours of language training in an effort to receive the bonus. Most of it came at taxpayers' expense.

Taxpayers have more good news. Daryl Bean, head of the Public Service Alliance which first negotiated the deal, thinks this bonus should be increased to \$1,600. D'Iberville Fortier, the former Language Commissioner also believes it should be reviewed.

In addition, a 1990 Federal court ruling declared that RCMP employees who are not eligible to receive the yearly bonus should be receiving it. This ruling could open the door to armed forces personnel and some Crown corporation employees to receive the bonus as well.

According to the Treasury Board, 29% of public service positions require both French and English and 33% of federal public servants have acquired proficiency in both languages. Of this group, 17% have superior skills, 11% intermediate, and 5% are at a minimum level of proficiency.

Grants to fund official bilin- gualism

The following two pages list a small sample of the grants approved during one fiscal year for the funding of official bilingualism. These grants were provided under the "Promotion of Official Languages" program and the "Official Languages Communities" program.

The following list is presented for the purpose of information. Our intent is not to criticize any of these groups, companies or organizations. Rather we believe it to be part of our mandate to make taxpayers aware of how their money is being spent.

Academie Canadienne-Francaise	\$ 20,000	Association of Teachers of English in Quebec	\$ 2,640	Canadian Historical Association	\$ 1,132
Academy of Canadian Cinema and Television	\$ 18,775	Association of National Non-Profit Artists' Centres	\$ 5,005	Canadian Home & School & Parent-Teacher Fed.	\$ 9,875
Alliance Chorale Alberta	\$ 10,000	Association pour l'Hygiene Industrielle au Quebec	\$ 10,000	Canadian Home Economics Association	\$ 2,991
Alliance Chorale Manitoba Inc.	\$ 20,000	Association Quebecoise de Cartographie	\$ 1,758	Canadian Home Economics Association	\$ 3,500
Alliance Francaise du Manitoba	\$ 9,000	Association Quebecoise pour la Prep. a la Retraite	\$ 1,203	Canadian Human Rights Foundation	\$ 2,750
Alliance Quebec Val D'or Chapter	\$ 4,500	Assoc. Recreative de la Fonction Publique d'Ottawa	\$ 3,700	Canadian Human Rights Foundation	\$ 2,991
Alliance Quebec	\$ 1,100,000	Atlantic Provinces Assoc. for Continuing University		Canadian Independent Adjusters' Association	\$ 4,433
Alliance Quebec	\$ 13,500	Education	\$ 1,060	Canadian Industrial Transportation League	\$ 1,550
Alliance Quebec	\$ 30,000	Atlantic Provinces Chamber of Commerce	\$ 1,849	Canadian Institute for the Administration of Justice	\$ 3,680
Alliance Quebec-Baie Comeau Chapter	\$ 5,000	Atlantic Provinces Chamber of Commerce	\$ 400	Canadian Institute of International Affairs	\$ 4,113
Alliance Quebec-Cote-Nord Chapter	\$ 4,670	Banff Television Foundation	\$ 13,905	Canadian Labour Congress	\$ 10,000
Alliance Quebec-Lower Laurentians	\$ 18,500	Bilingual Studies Centre (University of Regina)	\$ 41,000	Canadian Long Term Care Association	\$ 3,436
Alliance Quebec-Rouyn Noranda Chapter	\$ 4,500	Black Community Council of Quebec Inc.	\$ 19,000	Canadian Lung Association	\$ 19,511
Alliance Quebec-Saguenay Lac St-Jean	\$ 4,950	Bridgenorth Ennismore Lakefield Rotary Club	\$ 790	Canadian Meat Council	\$ 1,480
Alliance Quebec-St. Maurice Chapter	\$ 5,300	Brotherhood of Railway, Airline & Steamship Clerks, Freight Hand-		Canadian Merchant Service Guild	\$ 2,496
Alliance Quebec-Upper Laurentians	\$ 16,000	lers, Express & Station Employees (Canada)	\$ 2,646	Canadian Museums Association	\$ 20,000
ASKI-Y - Education et Promotion de la Solidarite Int'l	\$ 5,299	Building and Construction Trades Department	\$ 4,545	Canadian Nurses Foundation	\$ 3,945
Assemblee des Centres Culturels de l'Ontario	\$ 21,700	Cahiers de Droit Inc.	\$ 3,257	Canadian Organization for Dev.Through Education	\$ 4,104
Assemblee des Centres Culturels de l'Ontario	\$ 29,000	Calgary Public Library	\$ 15,000	Canadian Parents for French (Manitoba) Inc.	\$ 31,400
Assoc. Can. Francaise de l'Ontario Conseil Regional		Can. Assoc. of Photographers & Illustrators in		Canadian Parents for French (New Brunswick) Inc.	\$ 22,450
Hamilton	\$ 45,000	Communications	\$ 429	Canadian Parents for French - Alberta Branch	\$ 56,400
Assoc. Can.-Francaise de l'Alberta, Reg. de		Canadian Academic Accounting Association	\$ 1,172	Canadian Parents for French - British Columbia Chap.	\$ 2,440
Fort McMurray	\$ 35,150	Canadian Academy of Child Psychiatry	\$ 1,275	Canadian Parents for French - British Columbia Chap.	\$ 76,300
Assoc. Can.-Francaise de l'Alberta, Reg. de		Canadian Academy of Pediatric Dentistry	\$ 3,704	Canadian Parents for French - Newfoundland	
Riviere-La-Paix	\$ 72,020	Canadian Academy of Restorative Dentistry	\$ 3,827	and Labrador	\$ 33,670
Assoc. Can.-Francaise de l'Alberta, Regionale		Canadian Aluminum, Brick and Glass Workers Council	\$ 1,884	Canadian Parents for French - Northwest Territories	
d'Edmonton	\$ 87,095	Canadian Artists' Representation - Local of Ottawa	\$ 2,565	Chapter	\$ 2,000
Assoc. Can.-Francaise de l'Alberta, Regionale de		Canadian Artists' Representation	\$ 1,315	Canadian Parents for French - Nova Scotia	\$ 30,880
Bonnyville	\$ 36,500	Canadian Association for Co-operative Education	\$ 1,363	Canadian Parents for French - Ontario	\$ 104,120
Assoc. Can.-Francaise de l'Alberta, Reg. de Calgary	\$ 37,500	Canadian Association for Music Therapy	\$ 1,590	Canadian Parents for French, Prince Edward	
Assoc. Can.-Francaise de l'Alberta, Reg. de Calgary	\$ 57,500	Canadian Association for Pastoral Education	\$ 2,022	Island Limited	\$ 28,490
Assoc. Can.-Francaise de l'Alberta, Regionale de		Canadian Association for Pastoral Education	\$ 2,283	Canadian Parents for French - Saskatchewan Inc.	\$ 37,000
Centralta	\$ 32,450	Canadian Association of Broadcasters	\$ 4,005	Canadian Parents for French - Yukon Chapter	\$ 5,800
Assoc. Can.-Francaise de l'Alberta, Regionale		Canadian Association of Communicators in Education	\$ 1,752	Canadian Parents for French	\$ 1,060
de Lethbridge	\$ 18,000	Canadian Association of Elizabeth Fry Societies	\$ 2,920	Canadian Parents for French	\$ 132,525
Assoc. Can.-Francaise de l'Alberta, Regionale de		Canadian Association of Fire Chiefs Inc.	\$ 4,200	Canadian Parents for French	\$ 18,525
Plamondon	\$ 31,570	Canadian Association of Housing & Renewal Officials	\$ 3,675	Canadian Parents for French	\$ 21,000
Assoc. Can.-Francaise de l'Alberta, Reg. de St. Paul	\$ 58,025	Canadian Association of Law Teachers	\$ 1,436	Canadian Peace Alliance	\$ 30,000
Assoc. Canadienne-Francaise de l'Alberta-Regionale		Canadian Assoc. of Medical Radiation Technologists	\$ 1,894	Canadian Pharmaceutical Association	\$ 4,031
d'Edmonton	\$ 24,900	Canadian Association of Optometrists	\$ 4,880	Canadian Physiotherapy Association	\$ 5,770
Assoc. Francaise des Conseils Scolaires de		Canadian Association of Provincial Court Judges	\$ 10,000	Canadian Power and Sail Squadrons	\$ 712
l'Ontario, Reg. # 1	\$ 30,000	Canadian Association of Provincial Court Judges	\$ 1,240	Canadian Public Relations Society Inc.	\$ 3,685
Assoc. of Prof. Engineers of the Prov. of New Brun.	\$ 579	Canadian Association of School Administrators	\$ 9,831	Canadian Quilters' Association	\$ 372
Assoc. of Registered Professional Foresters of		Canadian Association of Schools of Social Work	\$ 1,449	Canadian Rehabilitation Council for the Disabled	\$ 17,100
New Brunswick	\$ 660	Canadian Association of the Arts for Young Audiences	\$ 3,855	Canadian Research Institute for the Advancement	
Assoc. Quebecoise des Educateurs Special. en		Canadian Association of University Business Officers	\$ 11,520	of Women	\$ 6,790
Arts Plastiques	\$ 1,822	Canadian Association of University Teachers	\$ 24,717	Canadian Research Institute for the Advancement	
Assoc. Canadienne d'Education de Langue Francaise	\$ 25,000	Canadian Association of Youth Orchestras	\$ 2,535	of Women	\$ 7,600
Association Canadienne-Francaise de l'Alberta	\$ 24,950	Canadian Babaji Yoga Society Inc.	\$ 979	Canadian Rights and Liberties Federation	\$ 2,950
Association Canadienne-Francaise de l'Alberta	\$ 30,000	Canadian Babaji Yoga Society Inc.	\$ 980	Canadian School Trustees' Association	\$ 3,609
Association Canadienne-Francaise de l'Alberta	\$ 315,000	Canadian Bar Association - Ontario	\$ 6,089	Canadian Society for Industrial Security Inc.	\$ 6,324
Association Canadienne-Francaise de l'Ontario	\$ 12,000	Canadian Bar Association - Ontario	\$ 9,329	Canadian Society for Training and Development	\$ 3,433
Association Canadienne-Francaise de l'Ontario	\$ 1,450	Canadian Book Publishers' Council	\$ 5,517	Can. Soc. of Consumer Affairs Prof. in Business	\$ 4,404
Association Canadienne-Francaise de l'Ontario	\$ 20,000	Canadian Bureau for International Education	\$ 30,000	Canadian Society of Industrial Engineering	\$ 9,910
Association Canadienne-Francaise de l'Ontario	\$ 26,400	Canadian Catholic Organization for Dev. and Peace	\$ 8,892	Canadian Society of Otolaryngology - Head and Neck	
Association Canadienne-Francaise de l'Ontario	\$ 30,000	Canadian Centre for Arms Control and Disarmament	\$ 15,525	Surgery	\$ 3,746
Association Culturelle Franco-Canadienne de la		Canadian Centre for Policy Alternatives	\$ 2,190	Canadian Sport and Fitness Administration Centre	\$ 40,000
Saskatchewan	\$ 20,855	Canadian Child Day Care Federation	\$ 223	Canadian Sport and Fitness Administration Centre	\$ 93,400
Association Culturelle Franco-Canadienne de la		Canadian Coalition Against Media Pornography	\$ 7,025	Canadian Steel Trade Conference	\$ 10,000
Saskatchewan	\$ 4,000	Canadian College of Health Service Executives	\$ 35,465	Canadian Student Debating Federation	\$ 650
Association Culturelle Franco-Canadienne de la		Canadian Conference of the Arts	\$ 8,027	Canadian Union of Educational Workers	\$ 3,471
Saskatchewan	\$ 461,533	Canadian Council for Inner City Education	\$ 1,920	Canadian University Nursing Students Association	\$ 953
Association Culturelle Franco-Tenoise	\$ 150,000	Canadian Council for International Cooperation	\$ 4,895	Canadian Urban Transit Association	\$ 1,251
Association de la Presse Francophone Hors Quebec	\$ 12,500	Canadian Council for Multicultural & Intercultural Educ.	\$ 5,480	Canadian Urban Transit Association	\$ 25,000
Association de la Presse Francophone Hors Quebec	\$ 1,750	Canadian Council for Refugees	\$ 3,131	Canadian Wildlife Federation	\$ 25,000
Association de la Presse Francophone Hors Quebec	\$ 233,000	Canadian Council for Refugees	\$ 5,414	Canadian Wildlife Federation	\$ 75,425
Association des "Producteurs" de Foin	\$ 1,168	Canadian Council of Crisis Centres	\$ 1,610	Canadian Wood Council	\$ 30,000
Association des Francophones d'Iqaluit	\$ 10,987	Canadian Council on International Law	\$ 17,059	Cen. de Trad. et de Documentation Juridiques - University	
Association des Pathologistes du Quebec	\$ 40,325	Canadian Council on International Law	\$ 2,365	d'Ottawa	\$ 335,000
Association Francophone de Fort Smith	\$ 2,000	Canadian Council on International Law	\$ 2,567	Centaur Foundation for the Performing Arts	\$ 20,000
Association Francophone de St-Jean	\$ 65,000	Canadian Council on Rehabilitation and Work	\$ 30,000	Centenaire du Genie Canadien	\$ 20,000
Association Francophone du Centre de L'Alberta	\$ 1,600	Canadian Council on Smoking and Health	\$ 830	Centennial Theatre	\$ 5,000
Association Francophone du Labrador	\$ 100,000	Canadian Education Association	\$ 34,607	Centraide Montreal	\$ 2,170
Association Francophone du Labrador	\$ 3,300	Canadian Egg Marketing Agency	\$ 10,599	Centrale de l'Enseignement du Quebec - Montreal	\$ 1,867
Association Fransaskoise de Zenon Park	\$ 16,850	Canadian Engineering Competition	\$ 2,680	Centre Canadien d'Architecture	\$ 10,000
Association Jeunesse Fransaskoise Inc.	\$ 114,227	Canadian Environmental Network	\$ 3,450	Centre Culturel de Ponteix Inc.	\$ 2,075
Association of Canadian Court Administrators	\$ 12,684	Canadian Evaluation Society	\$ 3,675	Centre Culturel Franco-Manitobain	\$ 176,000
Association of Canadian Community Colleges	\$ 16,050	Canadian Executive Service Organization	\$ 2,777	Centre Culturel Franco-Manitobain	\$ 6,000
Association of Canadian Community Colleges	\$ 20,000	Canadian Federation of Friends of Museums	\$ 2,880	Centre Culturel Francophone de Vancouver	\$ 30,000
Association of Canadian Medical Colleges	\$ 3,219	Canadian Federation of Students	\$ 30,000	Centre Culturel la Ronde Inc.	\$ 70,000
Association of Can. Universities for Northern Studies	\$ 2,770	Canadian Federation of Students	\$ 3,775	Centre Culturel Franco-Manitobain	\$ 10,500
Association of Canadienne-Francaise de l'Ontario	\$ 855,500	Canadian Gerontological Nursing Association	\$ 4,552	Centre d'Activites Francaises	\$ 77,000
Association of Kinsmen Clubs	\$ 2,195	Canadian Golf Superintendents Association	\$ 3,666	Ctr. de Recherche - Action sur les Relations Raciales	\$ 1,725
Association of Kinsmen Clubs	\$ 2,345	Canadian Golf Superintendents Association	\$ 3,970	Centre de Recherche en Droit Prive et Compare	
Association of Quebec Regional English Media	\$ 18,350	Canadian Guidance and Counselling Association	\$ 2,845	du Quebec	\$ 141,000
Association of Quebec Regional English Media	\$ 90,000			Centre des Jeunes de Sudbury Inc.	\$ 114,000

Centre des Services Communautaires de Vanier Inc.	\$ 1,200	Fitness and Amateur Sport	\$ 76,400	Optimist International	\$ 8,792
Centre for Investigative Journalism	\$ 6,298	Folklore Canada International	\$ 3,375	Ordre des Infirmieres et Infirmiers du Quebec	\$ 2,606
Centre Fransaskois d'Education Permanente	\$ 9,002	Fondation Canadienne du Rein	\$ 3,722	Ordre des Comptables Agrees du Quebec	\$ 4,576
Centre International de Recherche sur le Bilinguisme	\$ 80,532	Fondation de l'Habitation Cooperative du Canada	\$ 18,847	Ottawa Federation of Housing Cooperatives Inc.	\$ 1,555
Centre International de Solidarite Ouvriere	\$ 2,660	Fondation de l'Habitation Cooperative du Canada	\$ 2,000	Outaouais Alliance Inc.	\$ 4,650
Centre Regional de Loisirs Culturels Inc.	\$ 95,000	Fondation de l'Habitation Cooperative du Canada	\$ 30,000	Outaouais Alliance Inc.	\$ 90,000
Centre Sylvain	\$ 2,750	Fondation du Barreau Canadien	\$ 9,550	Participatory Research Group	\$ 1,988
Chambre de Commerce de Montreal	\$ 2,040	Fort Calgary Preservation Society	\$ 17,000	Participatory Research Group	\$ 6,032
Chambre de Commerce du Canada	\$ 8,923	Forum '87	\$ 4,537	Patent and Trademark Institute of Canada	\$ 1,879
Chateauguay Valley English-Speaking Peoples' Assoc.	\$ 7,000	Foyer le Rameur du Nord Inc.	\$ 2,634	Patent and Trademark Institute of Canada	\$ 668
Chateauguay Valley English-Speaking Peoples' Association	\$ 85,000	Fraternity for Canadian Astrologers	\$ 2,370	Periodical Writers Association of Canada	\$ 1,063
Cinema Femmes Montreal Inc.	\$ 1,725	GATT-Fly	\$ 3,165	Petits Freres des Pauvres	\$ 3,894
Club Canadien Francais de Thunder Bay	\$ 10,100	Geordie Productions Inc.	\$ 4,835	Prematernelle Cooperative de Ponteix	\$ 600
Club Canadien-Francais de Brantford	\$ 5,000	Giftedness Quebec	\$ 1,350	Prince Edward Island Civil Service Commission	\$ 11,025
Co-operative Union of Canada	\$ 20,000	Gov't of Manitoba - Dept. of Culture, Heritage & Recreation	\$ 200,000	Prince Edward Island - Ministry of Education	\$ 1,845
Coalition of Black Women's Groups	\$ 1,460	Gov't of Ont. - Min. of Citizen. & Cul., Art Gallery of Ont.	\$ 694	Pro-Arts	\$ 313
Comite "Travel and Tourism Research Association" Quebec 1987	\$ 3,450	Gov't of Ontario - Ministry of Community and Social Services	\$ 4,800	Pro-Arts	\$ 6,487
Comite "Vivre en Francaise"	\$ 10,000	Government of Manitoba - Department of the Attorney General	\$ 500,000	Professional Association of Canadian Theatres	\$ 2,065
Comite d'Organisation du Colloque Agricole d'Alfred	\$ 2,885	Government of Ontario - Ministry of Citizenship and Culture	\$ 28,490	Programme Parents-Secours de l'Ontario Inc.	\$ 690
Comite Organisateur de la 9e Conference Annuelle de Cogel	\$ 5,480	Government of Ontario - Ministry of Municipal Affairs	\$ 2,500	Prov. of N.B. Min. de la Sante des Services Communautaires	\$ 107,100
Commission Culturelle Fransaskoise Inc.	\$ 113,470	Government of Ontario - TV Ontario	\$ 8,000	Prov. of N.B. Min. de la Sante des Services Communautaires	\$ 9,815
Commission des Ecoles Fransaskoises	\$ 40,071	Government of the Northwest Territories	\$ 1,515,600	Province of British Columbia - Minister of Finance	\$ 105,005
Commission Nationale des Parents Francophones	\$ 8,655	Government of the Northwest Territories	\$ 18,090	Province of Manitoba - Provincial Treasury	\$ 260,896
Commission Nationale des Parents Francophones	\$ 32,000	Heating, Refrigerating and Air Conditioning Institute of Canada	\$ 675	Province of New Brunswick - Ministry of Justice	\$ 236,160
Committee for Anglophone Social Action	\$ 10,000	Heritage Canada Foundation	\$ 25,000	Province of New Brunswick - Ministry of Justice	\$ 260,000
Committee for Anglophone Social Action	\$ 104,500	Huntington Society of Canada	\$ 3,756	Province of Nova Scotia - Provincial Treasurer	\$ 30,900
Committee for Anglophone Social Action	\$ 5,120	Huntington Society of Canada	\$ 4,000	Province of Nova Scotia - Provincial Treasurer	\$ 150,000
Community and Hospital Infection Control Association - Canada	\$ 1,615	Icomos Canada	\$ 1,312	Province of Ontario, Provincial Treasurer	\$ 870,900
Community Health Co-operative Federation Ltd.	\$2,186	Institut Canadien d'Education des Adultes	\$ 19,712	Province of Ontario, Treasury Department	\$ 800,000
Community Improvement Corporation	\$ 10,000	Institut Joseph-Debuc Inc.	\$ 115,000	Province of Prince Edward Island - Dept. of Industry	\$ 12,267
Community Improvement Corporation	\$ 30,000	Institut Fame Peree pour les Lepreux	\$ 1,884	Province of Prince Edward Island - Dept. of Industry	\$ 12,450
Community Improvement Corporation	\$ 5,750	Institute of Public Administration of Canada	\$ 10,000	Province of Prince Edward Island - Dept. of Industry	\$ 2,000
Community Improvement Corporation	\$ 8,174	Int'l Assoc. for Students of Econo-mics & Commerce	\$ 3,912	Province of Prince Edward Island - Dept. of Industry	\$ 37,983
Con. Int'l pour l'Educ. Physique et la Science du Sport	\$ 2,318	Int'l Assoc. for Students of Econo-mics & Commerce	\$ 978	Province of Prince Edward Island - Dept. of Industry	\$ 4,500
Confederation des Syndicats Nationaux	\$ 1,950	Interchange on Canadian Studies	\$ 5,835	Province of Prince Edward Island - Dept. of Industry	\$ 9,750
Confederation des Syndicats Nationaux	\$ 4,540	International Conferences on Social Development	\$ 20,000	Province of Prince Edward Island - Department of Tourism & Parks	\$ 39,850
Conference of Legislative Auditors	\$ 2,318	International Council for Adult Education	\$ 19,830	Province of Prince Edward Island - Dept. of Industry	\$ 600
Congres Canadien de Readaptation 1987	\$ 20,000	International Defence and Aid Fund for Southern Africa (Canada)	\$ 834	Province of Saskatchewan - Minister of Finance	\$ 42,500
Congres Education Laval - 1987	\$ 10,000	International Federation of Adapted Physical Activity	\$ 7,630	Province of Saskatchewan	\$ 66,056
Congress of Canadian Engineering Students	\$ 10,000	International Festival of Films on Art	\$ 2,100	Provincial Treasurer - Province of Manitoba	\$ 54,625
Conseil Canadien de la Documentation Juridique	\$ 15,000	International Social Service Canada	\$ 6,450	Provincial Treasurer - Province of Nova Scotia	\$ 105,142
Conseil Canadien de la Documentation Juridique	\$ 15,000	International Society of Postmasters	\$ 3,036	Provincial Treasurer - Province of Nova Scotia	\$ 21,805
Conseil Canadien de la Documentation Juridique	\$ 9,158	Jeune Chambre de Commerce de Montreal	\$ 1,375	Quebec Association for Adult Learning Inc.	\$ 8,150
Conseil Communautaire Beausoleil Inc.	\$ 82,500	Jeunesse Acadienne Ltee.	\$ 80,000	Quebec Drama Festival	\$ 33,000
Conseil Communautaire Samuel-de-Champlain Inc.	\$ 90,000	L'R des Centres de Femmes du Quebec	\$ 1,550	Quebec Farmers' Association	\$ 78,600
Conseil de Developpement du Loisir Scientifique	\$ 1,925	Laurentian University Faculty Association	\$ 1,588	Quebec Federation of Home and School Associations	\$ 15,000
Conseil de l'Ecole Canadienne-Francaise de Saskatoon Inc.	\$ 2,745	Laurentian University Faculty Association	\$ 1,758	Quebec Native Women Inc.	\$ 5,853
Conseil de la Cooperation du Manitoba	\$ 4,000	Le Mat (Centre Culturel)	\$ 9,319	Quebec Young Farmers' Provincial Federation	\$ 57,000
Conseil de la Magistrature du Quebec	\$ 26,500	Lethbridge Public Library	\$ 5,414	Radio Clare	\$ 5,000
Conseil du Statut de la Femme	\$ 8,800	Ligue des Cadets de l'Air du Canada - Quebec	\$ 1,383	Radio Communautaire du Manitoba Inc.	\$ 14,000
Conseil en Education des Premieres Nations	\$ 4,082	Literacy Translators Association	\$ 1,357	Radio Communautaire du Manitoba Inc.	\$ 30,000
Conseil International de la Langue Francaise	\$ 40,000	Manitoba Action Committee on the Status of Women - Winnipeg	\$ 547	Radio de l'Epinette Noire Inc.	\$ 29,500
Conseil Jeunesse Provincial Inc.	\$ 133,000	Match International Centre	\$ 20,000	Radio Sud-Est	\$ 14,000
Conseil Jeunesse Provincial Inc.	\$ 133,000	Ministre des Finances, Province du Quebec	\$ 280,000	Radio-Huronie FM Communautaire Inc.	\$ 14,000
Conseil de la Cooperation de la Saskatchewan	\$ 60,100	Ministry of the Attorney General of Ontario	\$ 23,429	Radio-Peninsule Inc.	\$ 246,089
Construction Specifications Canada	\$ 4,053	Ministry of the Attorney General of Ontario	\$ 272,112	Radio-Peninsule Inc.	\$ 30,000
Consumers' Association of Canada	\$ 20,000	Movement for Canadian Literacy	\$ 5,874	Reford-McCandless International Institute	\$ 1,911
Cooper Institute	\$ 6,357	Muriel McQueen Fergusson Foundation	\$ 2,425	Regional Assoc. Ad Hoc Communications Committee	\$ 2,500
Corporation of Translators and Interpreters of N.B. Inc.	\$ 10,287	National Accreditation Commission	\$ 10,113	Rencontre Internationale Jack Kerouac Inc.	\$ 4,225
Council for Anglophone Magdalen Islanders	\$ 2,000	National Accreditation Commission	\$ 13,535	Royal Architectural Institue of Canada	\$ 25,000
Council for Anglophone Magdalen Islanders	\$ 4,500	National Action Committee on the Status of Women	\$ 1,977	Royal Architectural Institute of Canada	\$ 9,770
Dance in Canada Association	\$ 30,000	National Action Committee on the Status of Women	\$ 20,000	Saskatchewan Public Service Commission	\$ 33,982
Dance in Canada Association	\$ 899	National Association of Friendship Centres	\$ 10,500	Serena Canada	\$ 5,390
Dancer Transition Centre	\$ 4,800	National Association of Women and the Law	\$ 24,750	Sietar International	\$ 12,742
Department of Tourism and Parks	\$ 12,500	National Association of Women and the Law	\$ 8,096	Skilex Society	\$ 8,483
Dept. of Development and Tourism - Newfoundland and Labrador	\$ 57,925	National Association of Women and the Law	\$ 8,500	Social Science Federation of Canada	\$ 4,833
Dept. of the Attorney General - Prov. of Nova Scotia	\$ 100,000	National Federation of Nurses' Unions	\$ 3,701	Social Science Federation of Canada	\$ 6,461
Disabled Women's Network - Canada	\$ 5,075	National Indian Brotherhood	\$ 4,978	Societe Canadienne d'Onomastique	\$ 2,700
Eastern Breeders Inc.	\$ 1,104	National Youth Parliament Association	\$ 7,825	Societe Canadienne-Francaise de Prince Albert Inc.	\$ 21,043
Eastern Ontario Travel Association	\$ 400	New Brunswick Amateur Hockey Association	\$ 1,627	Societe Canadienne-Francaise de Prince Albert Inc.	\$ 626
English-Speaking Catholic Council Inc.	\$ 28,500	New Brunswick Assoc. for Supported Employment	\$ 2,004	Societe d'Esthetique du Quebec	\$ 1,475
English-Speaking Townshippers' Association Inc.	\$ 200,000	New Brunswick Association of Nursing Homes Inc.	\$ 3,125	Societe de Presse Acadienne	\$ 50,000
English-Speaking Townshippers' Association Inc.	\$ 6,725	New Brunswick Association of Social Workers	\$ 1,592	Societe de Recherche sur les Populations	\$ 4,706
Epilepsy Canada	\$ 2,925	New Brunswick Continuing Legal Education	\$ 10,000	Societe de Saint-Vincent de Paul	\$ 1,440
Family Mediation Canada	\$ 19,350	New Brunswick Dental Society	\$ 863	Societe Franco-Manitobaine	\$ 590,000
Family Service Canada	\$ 7,452	New Brunswick Dietetic Association	\$ 1,733	Societe pour Vaincre la Pollution	\$ 6,322
Fed. des Femmes Canadiennes-Francaises Region Saskatchewan Sud	\$ 15,390	New Brunswick Federation of Labour	\$ 9,634	Societe Quebecoise de Geriatrie	\$ 1,285
Fed. des Jeunes Francophones du Nouveau-Brunswick Inc.	\$ 199,500	New Brunswick Federation of Woodlot Owners Inc.	\$ 1,190	Societe Quebecoise de Science Politique	\$ 1,980
Federation Acadienne de la Nouvelle-Ecosse	\$ 777,964	New Brunswick Home Economics Association	\$ 769	Societe Saint-Thomas d'Aquin	\$ 432,600
Federation Canadienne des Enseignantes et des Enseignants	\$ 4,232	New Brunswick Institute of Chartered Accountants	\$ 1,801	St. John's Board of Trade - Women's Committee	\$ 12,325
Federation des Producteurs de Lait du Quebec	\$ 1,940	New Brunswick Lawn Bowling Association	\$ 208	Taoist Tai Chi Society of Canada	\$ 4,750
Federation des Agricotours du Quebec	\$ 1,357	New Brunswick Medical Society	\$ 3,100	Theatre Action	\$ 84,600
Federation des Francophones de Saskatoon Inc.	\$ 4,420	New Brunswick Milk Marketing Board	\$ 3,389	Theatre du Nouvel-Ontario Inc.	\$ 40,850
Federation des Jeunes Canadiens-Francais Inc.	\$ 150,000	New Brunswick Parks and Recreation Federation	\$ 1,518	Theatre du Trillium	\$ 5,000
Fed. des Parents Acadiens de la Nouvelle-Ecosse	\$ 53,646	New Brunswick Pork Producers Association	\$ 605	Theatre Francaise de Toronto	\$ 30,000
Federation des Prod. de Fruits et Legumes du Quebec	\$ 980	New Brunswick Women's Network	\$ 3,794	Theatre Francaise de Toronto	\$ 55,000
Federation des Producteurs de Pommes du Quebec	\$ 441	Newfoundland Exchequer Account	\$ 63,080	Third National Conference on Provincial Social Welfare Policy	\$ 2,385
Federation des Producteurs Maraichers du Quebec	\$ 305	North Shore Forestry Syndicate Inc.	\$ 900	Third National Farm Women's Conference	\$ 8,037
Federation of Canada-China Friendship Associations	\$ 3,640	Nova Scotia Association of Optometrists	\$ 10,000	Toronto Vegetarian Association	\$ 8,895
Federation of Canadian Municipalities	\$ 3,560	Nova Scotia Department of Education	\$ 48,500	Tourism Industry Association of Manitoba	\$ 690
Federation of Canadian Municipalities	\$ 40,000	Nova Scotia Department of Vocational and Technical Training	\$ 37,750	Troupe du Jour Inc.	\$ 4,000
Federation of Law Societies of Canada	\$ 10,963	Nova Scotia Official Languages Project Committee	\$ 29,570	Uniform Law Conference of Canada	\$ 5,239
Federation of Law Societies of Canada	\$ 5,753	Ontario Association of Corrections and Criminology	\$ 7,645	Union International des Avocats	\$ 8,316
Federation Provinciale des Comites de Parents	\$ 131,000	Ontario Association of Legal Clinics	\$ 30,000	Union of National Defence Employees	\$ 10,000
Federation Provinciale des Comites de Parents	\$ 131,000	Ontario Association of Legal Clinics	\$ 5,399	United Food and Commercial Workers - Region 18 - Canada	\$ 7,500
Federation Quebecoise du Loisir Photographique	\$ 643	Ontario Association of Professional Social Workers	\$ 30,000	United Nations Association in Canada	\$ 30,000
Femmes en Focus Inc.	\$ 525	Ontario Coalition for Better Child Care Inc.	\$ 1,190	United Steel Workers of America	\$ 9,565
Festival Canadien des Films du Monde	\$ 17,727	Ontario Federation of Students	\$ 14,300	Universite de Moncton	\$ 20,100
Festival de la Chanson de Granby Inc.	\$ 46,000	Ontario Federation of Students	\$ 2,739	Universite de Moncton	\$ 385,000
Festival Franco-Ontarien	\$ 25,000	Ontario Film Association	\$ 1,780	Update Found. for Student Professional Concerns Inc.	\$ 1,698
First National Agriculture in the Classroom Conference	\$ 2,415	Opera Lyra Inc.	\$ 1,520	Urban Alliance on Race Relations	\$ 1,584
		Optica	\$ 2,220	Voice of English Quebec	\$ 117,000
				Voice of English Quebec	\$ 5,000
				Women's Art Resource Centre	\$ 7,400
				Women's Legal Education and Action Fund	\$ 968

Wild hogs of Horseshoe Bend

by Kevin Avram

Sometime back, one of the board members of the Federation gave me a copy of a little story he said he had around for years. It's called "Whose Bread I Eat, His Song I Sing," and was printed in the November 1961 bulletin of the Fulton County Medical Society. It's a true story told by Dr. J. McDaniel, who apparently was the president of the society that year. Here's what Dr. McDaniel wrote:

"I remember as a small boy in knee britches going with my father to hear an address given by the Honourable Stephen Pace, then a member of the government. It took place down by the banks of the river. There was a barbecue and citizens, especially farmers, from all over the area gathered. This was before the First World War.

It seemed that someone in the government had introduced a bill that would give certain people some money, provided they did something, and the Honourable Mr. Pace vigorously opposed it. I have no idea what it was because I was busy watching a ground squirrel play with a pine cone. Mr. Pace snapped me back to attention however when he said, "I'm going to tell you a true story about the wild hogs that once lived about forty miles down the river."

"Years ago," he said, "in a great horseshoe bend down the river there lived a drove of wild hogs. Where they came from no one knew but they

alive. Occasionally, one of those pigs was killed either by a dog or a gun, and whenever that happened the event would become a topic of con-

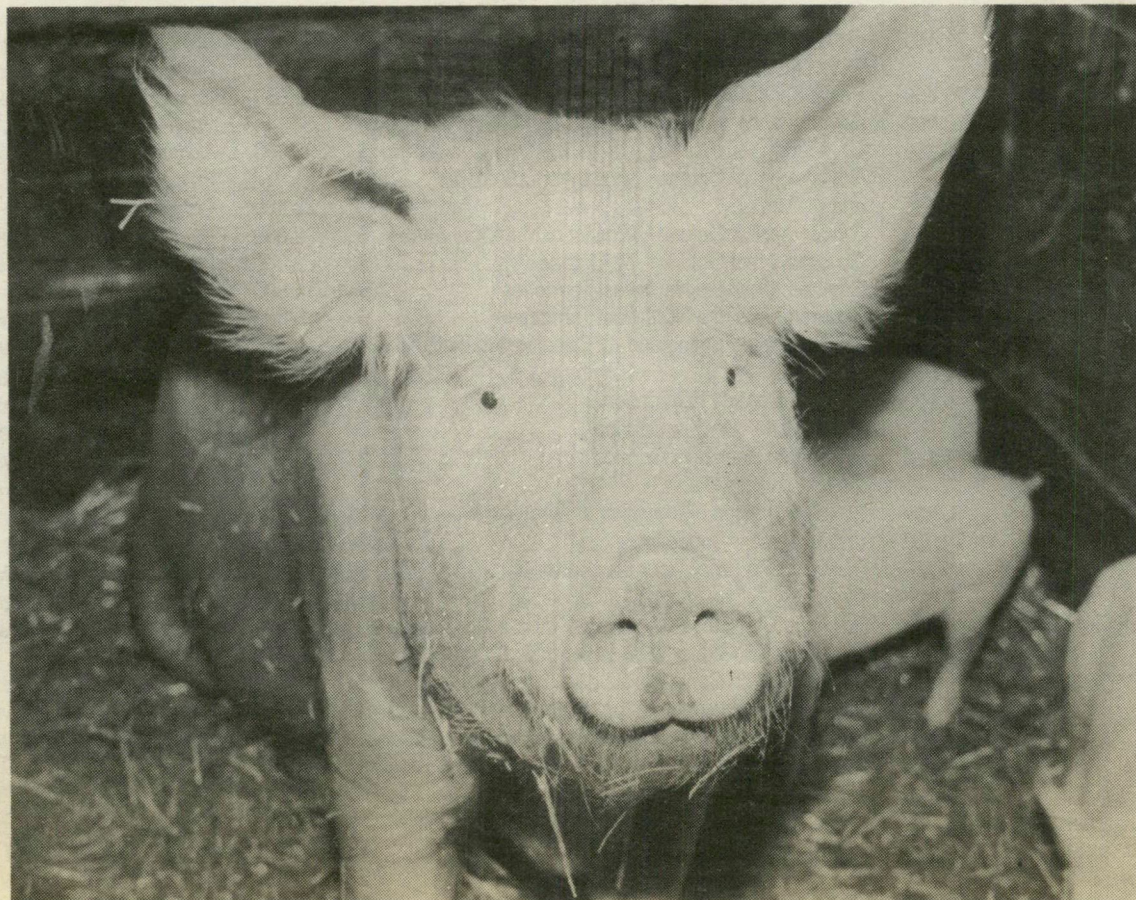
wagon, had an axe, some quilts, a lantern, some corn, and a single barrel shotgun. He was a slender, slow-moving patient man. He

claimed he had them all in a pen over at the swamp. Bewildered farmers, dubious hunters and store-keepers all gathered in the heart of the Horseshoe Bend to view the captive hogs.

"It was all very simple," said the one-gallused man. "First I put out some corn. For three weeks they wouldn't eat it, then some of the young ones grabbed an ear and ran off into the bush and pretty soon they were all eating. Then I simply commenced building a pen around the corn, a little higher each day. When I noticed they were all waiting for me to bring the corn and had stopped grubbing for acorns and roots, I built a trap door. "Naturally," said the patient man, "they raised quite a ruckus when they seen they were trapped, but I can pen any animal on the face of the earth if I can jist get him to depend on me for a free handout."

"We've had patient men in our central government for years" McDaniel wrote, "but they use our own dollars instead of corn."

"You know," he concluded, "I still think about that trap door and the slender stooped man, when he spat and said those words so many years ago: 'I can pen any animal on the face of the earth, if I can jist get him to depend on me for a free handout.'"



The story of how handouts turned self-sufficient wild hogs into domesticated pigs. Oh yeah, a big thanks to the Franks for the use of their hog.

survived the floods, fires, freezes, droughts, and hunters, and the greatest compliment a man could pay his dog was to say that he had fought the hogs in Horseshoe Bend and returned

versation for years.

Finally, a one-gallused man came by the old store on the river road and asked the whereabouts of these wild hogs. He drove a one-horse

chewed tobacco deliberately and spat very seldom.

Several months later he came back to the same store and asked for help to bring out the wild hogs, as he

While employers/employees suffer from increased premiums

MPs and MLAs do not contribute to UIC

As most employers and employees know unemployment insurance premiums went up again on January 1 from 2.8% to 3% of insurable earnings for employees, and from 3.92% to 4.2% of insurable earnings for employers. This represents a 54% increase in payments since 1989.

However, as the average taxpayer sees his income steadily being eroded by these in-

employment insurance premiums.

MPs and other elected officials do not pay premiums because they are not under a contract of service. They are elected, not hired -- they receive indemnities, not wages or salaries.

While a wage or a salary is a contractual payment for services rendered, an indemnity is a compensation for a loss incurred. This goes back to the days when MPs were part-time rather than full-time legislators and they received an indemnity for the income lost from their normal employment.

Technically, this may make sense. However, if this is the case, why do MPs and many other Canadian legislators receive severance packages for which the underlying principle is the same as unemployment insurance? How do you explain legislators' pension plans? How do you explain that federal and provincial cabinet ministers, who receive salaries on top of their

legislators' indemnities, do not pay UIC premiums on their salaries?

When we pursued the matter further, we were informed that even cabinet ministers don't have a contract of service, but a tenure of office. While the unemployment insurance regulations require some office holders to pay UIC premiums, they don't require cabinet ministers to pay.

Conclusion: MPs and cabinet ministers have simply decided not to contribute.

Meanwhile, the rest of us common folks are forced to pay higher premiums. It would seem that our politicians have simply decided to pick and choose their benefits. They don't want to pay UIC premiums so they still call their salary an indemnity. They want

a pension plan and severance package so they treat it like a salary. They don't like paying personal income tax so they declare a significant portion of their income to be a tax-free expense allowance.

How many of us would like to be in the same position where we not only decide how much we make, but can pick and choose our perks and deductions?

"How many of us would like a job where we can decide our own salary and where we can pick and choose our perks and deductions?"

creases, such is not the case for your MP or MLA. You see, they don't pay unemployment insurance premiums.

The Unemployment Insurance Act provides that all employment in Canada, under a contract of service, express or implied, is subject to un-



The recent unemployment insurance increases never bothered your MP or MLA. They don't pay the premiums and never have.